

Before the Arbiter for Financial Services

Case ASF 287/2025

UT

(‘Complainant’)

vs

Riverside Insurance Agency Malta Limited

(C 94792)

(‘Service Provider’)

Sitting of 23 March 2026

The Arbiter,

This Complaint was originally filed against Fortegra Europe Insurance Company Ltd (C 74703)(Fortegra) but was replied to by Riverside Insurance Agency Malta Ltd. It was explained that the latter are claims handling agents for the underwriters, Fortegra, and the Complainant agreed to replace Fortegra with the Service Provider for the purpose of this complaint¹.

Having seen the complaint², whereby the Complainant disputes the fact that his claim under his Vehicle Hire Insurance Excess Policy³ has been refused. The claim was for €3,960 which amount he had to pay to the rental company in Turkey for a claimed breach of the terms and conditions of the rental agreement consisting of failure to file a police report about the incident.

¹ Page (p.) 156

² P. 1 -15 and attachments p. 16 - 121

³ P. 81 - 99

The excess cover of the rental agreement was, according to the Complainant, Turkish Lira TL80,000⁴ equivalent to about €1,680 at the time of the accident. Complainant explains that rather than charge him for the excess element (which is covered by the insurance), he was charged the full repair bill on the basis of breach of terms and conditions. He was charged TL 218,160⁵ equivalent to €3,960 which is the compensation being sought from the Service Provider.

He explained that that he made a second claim for €400 which was settled even though in that case, he also did not present a police report.

In his reply to the refusal of his claim, Complainant explains in detail why he is pursuing to force his claim by stating:⁶

'Thank you for your message confirming that the Final Response issued on 10 November remains Fortegra's official position.

*However, I must respectfully highlight that the conclusion reached in that letter was based on an **incomplete and inaccurate assessment of the evidence** available at the time.*

*To ensure the matter is properly recorded, I wish to provide a concise clarification of the factual and procedural points that were **either misrepresented or entirely omitted** during the previous investigation.*

1. Extract from Final Response Letter

The Final Response stated:

"The claim handlers have processed your claim correctly. They declined that part of your claim in line with the policy terms and conditions, and have paid the claim for the second incident, again in line with the policy terms and conditions."

*However, this conclusion **fails to address or even reference** the critical evidence that was already provided and which proves that:*

- *The rental supplier **misrepresented** the nature of both incidents.*

⁴ P. 5

⁵ P. 103 - 104

⁶ P. 16 - 18

- The **police report** the supplier referred to has no connection whatsoever to the €400 scratch incident on the second rental car.
- The supposed “breach” for the first rental’s €3,960 charge was **invented after the fact**, as no police report was required or requested at the time.

By omitting this evidence entirely, the prior assessment could not have been conducted in accordance with Fortegra’s internal quality standards or the principles of fair claims handling.

2. Misrepresentation by the Rental Supplier (Second Rental – Plate No. 34 NLU 962)

The supplier, 724Rent (Yakaya Turizm), provided **false and misleading information** to the claims administrator.

They **incorrectly attributed** a police report from a third-party collision (Incident A) to an unrelated single-vehicle scratch (Incident B), thereby creating an artificial narrative of compliance and misleading the insurer about the factual sequence of events.

To reiterate:

The police report referenced in the Final Response belongs solely to Incident A (third-party collision) and has no relation to Incident B (the €400 scratch).

This pattern of **inaccurate and contradictory reporting** directly undermines the credibility of the supplier’s statements and, consequently, the basis on which the insurer’s decision was made.

3. No Police Report Requested for the €3,960 Incident (First Rental – Plate No. 34 NLU 974)

The rental supplier’s later claim that I breached their terms by not obtaining a police report is factually incorrect.

At no time — during, immediately after, or upon returning the vehicle — was a police report requested or mentioned.

The “requirement” was raised weeks later via email and does not reflect Turkish traffic law or the rental contract.

Under the **Highway Traffic Law No. 2918** and **Article 156 of the Traffic Regulation**, police attendance is not mandatory for single-vehicle, non-injury incidents.

The supplier's justification for charging the full repair amount instead of applying the agreed excess (80,000 TL) is therefore without legal or procedural basis.

4. Ignored Evidence and Inconsistent Handling

Despite being presented with:

- The official police report (Incident A),
- Clear photographic evidence of both incidents,
- Supplier emails contradicting themselves, and
- Repair invoices proving inconsistent treatment of similar cases,

the claim handlers **did not consider or mention** this evidence in their assessment.

The omission of these materials renders the original conclusion procedurally flawed and contrary to Fortegra's duty to evaluate all relevant evidence before reaching a determination.

5. Request for Reassessment or Escalation

In view of the above, I respectfully request that Fortegra:

1. **Acknowledge the procedural omission** of key evidence in the previous assessment;
2. **Reopen the investigation** or confirm referral to an independent reviewer; and
3. Provide written confirmation that all materials (including this clarification) will be forwarded to the Arbiter for Financial Services if the internal review remains closed.

Closing

I remain respectful of Fortegra's process but firmly believe that the omission of material evidence and reliance on misrepresented supplier statements resulted in a decision that does not reflect the true circumstances of the claim.

Thank you for your attention. I am fully available to provide any additional documentation or clarification required.'

Having seen the reply⁷ by the Service Provider, where they state:

'You purchased an excess reimbursement policy to insure the excess you may be liable to pay under the rental company's collision damage waiver, following damage to or theft of a hire vehicle in your possession. This policy is designed to reimburse you in the event of certain covered incidents resulting in you having to pay the excess agreed in your rental agreement.'

I understand that you had an accident in your hire vehicle where you struck the pavement and caused damage to the vehicle. As that vehicle was unsafe to drive you were provided with a replacement for the rest of your rental period. Unfortunately, that vehicle was also damaged whilst reverse parking.

As part of their claim process the claim handlers contacted your rental company to confirm some information about your claim, they also needed to clarify why you had been charged more than your €500 excess for the first incident. As the rental company charged you more than your agreed excess without an explanation of why, it was necessary for the claim handlers to confirm if the charge was correct, and if so why before they could assess whether you have a valid claim to be settled.

The rental company replied to the claim handlers to advise them that they hadn't charged you your excess for the damage to the first car. As you didn't report the incident to the police, they deemed that to be a breach of the rental agreement terms and conditions and as such they had charged you for the full amount of the damage, rather than your agreed excess.

They confirmed that as a police report was provided for the second incident, this was covered by your excess.

Page 10 of the policy booklet outlines the general exclusions that apply to the policy:

⁷ P. 130 - 131

“The following exclusions apply across Your whole insurance policy. We will not pay any claim, or be liable for any of the following:

2. Any claims which result from a direct breach of the terms and conditions of Your Rental Agreement.”

The claim handlers have processed your claim correctly, they declined that part of your claim in line with the policy terms and conditions, and have paid the claim for the second incident, again in line with the policy terms and conditions. As such, I can't uphold your complaint. Should you wish to dispute this, you would need to do so with the rental company as they have determined that you are in breach of their terms and conditions. If after disputing they alter their stance, please forward confirmation to the claim handlers who would be happy to reassess your claim in light of that.”⁸

Hearing

During the hearing of 11 March 2026, the Complainant largely repeated his arguments as contained in the written submissions to the Office of the Arbiter.

He denied that he had breached any condition of the rental agreement and affirmed that the rental company never asked him for a police report when they changed the car after the first incident or when he returned the replacement car.

He explained that according to Turkish Traffic Law No. 2918 articles 81 and 156, he had no obligation to procure a police report for the incident as no injury or fatality was involved, no other vehicle was involved and no damage to third-party property was caused.⁹

The Service Provider explained that the policy cover only kicked in if a claim was made for the excess element of the policy, and once no such payment of excess was involved, then the policy offered no cover.

⁸ P. 130

⁹ P. 57

At the hearing, the Service Provider indicated that the excess cover was €500¹⁰ whereas the Complainant had indicated it at TL 80,000 equivalent to about €1,680 at the time of the accident.

When asked whether they obtained any evidence that the Complainant had truly breached the terms and conditions of the rental agreement, the Service Provider stated:

‘Well, that is not something that we can get involved in. That contract is between them. And our advice is always to dispute with the rental company. If the rental company were to concede and to change their mind, then it would be their responsibility to refund Complainant everything above the excess, and we would reopen the claim and pay the excess.’¹¹

The Arbitrator,

having seen the statements made and evidence given by the Complainant

having seen the statements made and evidence given by the Service Provider

Considers

The complaint mainly revolves whether:

1. The Service Provider can avoid a claim under the Car Hire Excess Insurance simply on the basis of a claim by the rental company of a breach in the terms and conditions of the rental agreement, which the Complainant denies, without making further investigations.
2. The Complainant is entitled to claim the full cost of repair charged, abusively or otherwise, by the rental company rather than just claim for the excess element, which is the subject matter of the insurance contract.

The Arbitrator is of the firm opinion that the maximum claim that can be made under this policy is for the excess quantum. It is not clear if this is €500 as indicated by the Service Provider or TL 80,000 as indicated by the Complainant.

¹⁰ P. 158; 130

¹¹ P. 159

However the Arbiter is of the opinion that in the absence of satisfactory proof of the claimed breach of rental contract claimed by the rental company to justify their claim for full cost of repairs, the Service Provider cannot avoid meeting a claim for the excess amount. Otherwise, there results an unjustified situation where a potential abuse by the rental company, which is already a financial blow to the consumer, is compounded by a further blow by the insurance company not covering at least the excess element for which it received a premium.

In this case, the Complainant produced better evidence that a police report was not required than any evidence to the contrary which the insurance company could produce from the rental company.

Decision

The Arbiter is bound to adjudicate, in terms of Article 19(3)(b) of Chapter 555 of the Laws of Malta, by reference to what, in his opinion, is fair equitable, and reasonable in the particular circumstances and substantive merits of the case.

The Arbiter hereby decides that the complaint is reasonable if restricted to a claim for the amount of the excess element covered by the policy.

Unless the parties can reach an agreement on the quantum of such excess, which was indicated at different levels as above indicated by the parties during the process, the parties are to submit evidence of the correct amount of the excess for the Arbiter to consider crystallising a definite amount.

In accordance with Article 26(3)(c)(iv) of Chapter 555 of the Laws of Malta, the Arbiter orders the Service Provider to pay the Complainant the correct excess amount indicated in the rental agreement and covered by the policy.

Parties are to bear their own cost of this process.

Alfred Mifsud
Arbiter for Financial Services

Information Note related to the Arbiter's decision

Right of Appeal

The Arbiter's Decision is legally binding on the parties, subject only to the right of an appeal regulated by article 27 of the Arbiter for Financial Services Act (Cap. 555) ('the Act') to the Court of Appeal (Inferior Jurisdiction), not later than twenty (20) days from the date of notification of the Decision or, in the event of a request for clarification or correction of the Decision requested in terms of article 26(4) of the Act, from the date of notification of such interpretation or clarification or correction as provided for under article 27(3) of the Act.

Any requests for clarification of the award or requests to correct any errors in computation or clerical or typographical or similar errors requested in terms of article 26(4) of the Act, are to be filed with the Arbiter, with a copy to the other party, within fifteen (15) days from notification of the Decision in terms of the said article.

In accordance with established practice, the Arbiter's Decision will be uploaded on the OAFS website. Personal details of the Complainant(s) will be anonymised in terms of article 11(1)(f) of the Act.