

## **The complaint**

Miss I complains that Admiral Insurance Company Limited ("Admiral"):

- paid out on a claim made by a third party (TP) under her motor insurance policy which wasn't her fault; and
- didn't keep her properly updated while it dealt with the claim.

## **What happened**

Miss I had a motor insurance policy with Admiral for her car. In September 2019, she was in a collision with another car driven by TP. The police were involved. Miss I said TP was responsible for the collision, and it seemed the matter would proceed on this basis until it transpired that Miss I only had a provisional driving licence, and was driving unaccompanied.

The police said because of this it was likely she would be held responsible for the accident. Admiral said that because she was driving without a valid licence she wasn't covered for the accident, and her policy would be cancelled.

Miss I received a claim from TP for damage to his car and personal injuries. Admiral said it would deal with the claim in spite of the policy having been cancelled. Miss I signed an agreement authorising Admiral to take over and conduct the claim, and agreeing to pay any settlement it made on her behalf, including costs.

Miss I and TP each blamed the other for the accident. The damage to the cars was inconclusive. There had been an independent witness, but Miss I didn't have their details. Without favourable evidence from the witness or from a police report, Admiral said Miss I's case wasn't sufficiently strong to take to a trial. Admiral applied for a police report and said it would try to track down the witness through their car registration and motor insurance.

The claim proceeded until in February Miss I told Admiral she had received a court summons from TP. Miss I said she wanted to go for the cheapest option. Admiral hadn't heard from the police or the witness. It said as things stood it wouldn't take the case to trial. It would instruct solicitors to deal with the claim and hope it received the police report and witness statement. If not, it would pay TP's claim to reduce its costs.

On 11 March 2019, Miss I contacted Admiral to say she was worried a judgement would be entered against her. If this happened she feared she would lose her job. She asked Admiral to settle the claim as soon as possible. Admiral said it would do so. It contacted its solicitors and instructed them to settle on the best terms they could.

Miss I was upset that she continued to receive court documents and pressed Admiral to settle the claim. Admiral paid TP's personal injury claim on 4 April 2019, and the rest of TP's damages and costs on 12 April 2019.

On 18 April 2019, Admiral received the independent witness's statement, which said TP was entirely responsible for the collision, and Miss I was blameless. Admiral thought it was too late for it to recover the money it had paid. It said it had settled TP's claim at Miss I's

insistence, and earlier than it would normally have done. So it looked to her to indemnify it as she had agreed.

Miss I said Admiral should have done more once the witness statement appeared to stop or recover the payments it had made. As it hadn't, it shouldn't now look to her to repay it. Admiral didn't agree, so she complained to us.

Our investigator didn't recommend that this complaint should be upheld. He thought Admiral had given Miss I the best advice it could with the information it had at the time. It didn't know the witness statement would become available, or what it would say. The investigator thought once Admiral had agreed with TP and his insurer to settle the claim it couldn't undo this and stop the payment.

Miss I didn't find out about the witness statement until some time after it had arrived and the claim had been settled and paid. The investigator agreed Admiral could have told her about this sooner, but said it wouldn't have made any difference because the settlement had already happened. He thought Admiral was entitled to look to Miss I to repay it what it had paid out in accordance with the indemnity she had signed.

Miss I responded to say, in summary, that:

- Admiral failed to keep her updated while the claim was proceeding, which caused her stress; and
- as she was Admiral's customer, and was paying the claim, it should have done more to stop or recover payment from TP once the witness statement appeared.

### **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I understand that this was a stressful time for Miss I, and that she feels Admiral didn't do enough to keep her updated and she had to chase Admiral to find out what was happening. However, such claims do proceed at a slow pace, and often there isn't anything new to report. I have looked at Admiral's file and think that, on balance, it took reasonable steps to maintain contact, and keep her informed with what was happening.

I can see from Admiral's file that on the same day it received the witness statement it contacted its solicitors and asked if it could ask for its money back from TP. The advice it received was that it couldn't. The only possibility was for separate legal proceedings to be started against TP, which Miss I would have to pay for, and there was no guarantee that these would succeed in recovering the money.

Like the investigator, I think the advice Admiral gave Miss I on the chances of her succeeding in the claim, on the basis of the information it then had, was entirely reasonable. It proceeded to settle quickly with TP at her insistence before the witness statement became available. By the time the statement did appear, it was too late for Admiral to stop or recover the payments it had made.

### **My final decision**

My decision is that I don't uphold this complaint, and make no order against Admiral Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss I to accept or reject my decision before 26 October 2020.

Lennox Towers  
**Ombudsman**