

## **The complaint**

Mrs P has complained about Admiral Insurance Company Limited. She isn't happy that it wouldn't deal with a claim under her motor insurance policy and the costs she subsequently faced.

## **What happened**

Mrs P's husband, a named driver on her policy, was involved in an accident when he was under the influence of alcohol. He was prosecuted for drink driving and so Admiral turned down the claim as the policy doesn't cover anyone found to be over the legal limit for alcohol or drugs. However, Admiral was obliged to deal with the claim under the Road Traffic Act which it did. And then it looked to recover its costs from Mrs P and the named driver.

But Mrs P wasn't happy about the way Admiral dealt with the claim. She wanted to defend the third-party claim and was surprised to find the costs of the claim had risen significantly a few years later, especially as she hadn't heard anything more from Admiral.

Admiral acknowledged its delays and poor communication and offered £250 by way of compensation. But as Mrs P wasn't happy she complained to this service.

Our investigator looked into things for her but didn't uphold her complaint. Although she agreed that Admiral should have kept her up to date about the claim and that its service was poor she thought that its offer of £250 compensation was fair for this. And, although she sympathised with Mrs P's position she didn't think Admiral had done anything wrong in relation to the claim. As Mrs P's husband was drink driving he wasn't insured under the policy and so Admiral was entitled to deal with the claim under the Road Traffic Act and recover its costs.

Mrs P didn't feel Admiral's offer of compensation was enough to cover the stress and inconvenience caused by Admiral and so the matter has been passed to me for review.

## **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.

Having done so, I'm not upholding Mrs P's complaint. I know this will come as a disappointment to her, but I'll explain why.

I can understand how difficult Mrs P has found all of this. I agree that Admiral could and should have kept her up to date about the spiralling costs it faced in dealing with this claim. It took a while for the third party to put forward details regarding personal injury and for the claim to be settled. Admiral should've kept Mrs P up to date about this. But, as our investigator has explained, it had to deal with the claim. As the named driver was found guilty at court in relation to drink driving offences it was obliged under the Road Traffic Act to deal with the third-party claim. And as the named driver wasn't insured Admiral can look to recover its costs.

Mrs P seems to accept this and that it would be difficult for Admiral to dispute liability as the named driver was under the influence of alcohol at the time of the accident. I note that Admiral did try and negotiate a 50/50 settlement but as the other side didn't agree it settled the claim on a without prejudice basis.

However, I know Mrs P is suspicious about the level of costs, especially the medical costs, involved in this case. And given the low level of damage to her vehicle this is understandable. But I think Admiral acted fairly here. Mrs P's car was bigger, and the other car sustained more damage and injury can be sustained at relatively low speeds. And the two personal injury claims were supported by medical reports and they had been seen by a medical examiner and undertaken physio, so I think Admiral acted reasonably in paying these costs. Mrs P would've liked Admiral to go to court but given the evidence I don't think it acted unreasonably. And this would have escalated costs, which Mrs P and the named driver were responsible for, so I think it acted reasonably.

The main thing that Mrs P is still unhappy about is the level of compensation Admiral has offered her in relation to the poor communication and service she received. It is accepted by all that Admiral should have kept her fully up to date about the claim, especially the personal injury claims and spiralling costs. Given that Mrs P and the named driver were ultimately responsible for the costs it must have been a shock to realise that the costs had potentially gone from around £3,000 to £16,000 given the personal injury claims. Although the final figure dropped to around £12,000 I can understand why this was so stressful for Mrs P.

Admiral initially offered £150 by way of compensation in acknowledgement of the way it handled this and the failure to keep Mrs P up to date, which it increased to £250. But I don't think any amount of compensation would ease the stress all this caused Mrs P. I say this as the main stress and worry stems from the fact that Mrs P and the named driver are responsible for the costs.

So, although Mrs P wants significantly more compensation than this I think Admirals offer is fair. And despite my natural sympathy for Mrs P (as she didn't choose to drive under the influence, her partner did) I'm not asking Admiral to do anything further.

### **My final decision**

It follows, for the reasons given above, that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 15 October 2021.

Colin Keegan  
**Ombudsman**