

The complaint

Miss D complains that Admiral Insurance Company Limited (Admiral) accepted liability for an accident on her behalf without showing her the evidence. She is also unhappy that Admiral automatically took an additional premium for her policy after it had renewed.

What happened

Miss D took out car insurance with Admiral. In December 2019 they were notified that Miss D's car had been involved in a collision with a bus in October 2019. They contacted her and she said that she didn't know anything about it. She provided photographs of her car.

Dashcam footage provided by the third party was viewed and Admiral considered Miss D to be at fault and settled the claim. They informed Miss D but did not send her a copy of the footage.

Miss D's insurance policy was due for renewal in November 2019. Admiral sent renewal documents and the policy renewed automatically. However, at the time of renewal Admiral was not aware of the accident and so the claim was not included in the renewal quote. In late December 2019 they informed Miss D that an additional premium of £732.48 was payable due to the claim. She was given the option to cancel. Miss D did not contact Admiral and £732.48 was automatically debited from Miss D's account.

Miss D complained to Admiral saying she was not happy that they had accepted liability for the accident on her behalf without allowing her to see the dashcam footage. Admiral said that they did not have permission from the third party to show her the footage and therefore couldn't do so. They pointed out that the policy allows them to deal with the claim as they see fit and they were satisfied that they correctly accepted liability. Miss D did not raise the issue regarding the additional premium at this point.

Miss D was not happy with Admiral's response and brought her complaint to us. She did not think it fair that Admiral settled the claim as a fault claim whilst she was not allowed to see the evidence against her. She also complained that Admiral had taken £732.48 from her account. Our investigator looked into the matter and Admiral agreed that this service could look at both parts of the complaint together.

Our investigator agreed with Admiral that they could not disclose the dashcam footage without consent from the third party, which they did not have. He also agreed that Admiral were entitled to deal with the claim as they saw fit. He viewed the dashcam footage himself and he thought that they had investigated it fairly. In relation to the additional premium, our investigator thought that the calculation was fair, but said that Admiral should not have taken this from Miss D's account without her permission. He thought that the sum should be returned to her.

Admiral said that they had properly informed Miss D of the premium increase and given her an opportunity to cancel the policy if she wished. They said they had no contact from her and therefore the policy premium was properly taken. They asked for the matter to be considered by an ombudsman.

Miss D did not accept the investigator's view either. She did not think that Admiral had acted fairly in relation to accepting liability for the accident and not disclosing the footage to her. She also asked for the matter to be looked at by an ombudsman.

My provisional decision

I issued a provisional decision on 16 August 2021. I said:

"There are two parts to Miss D's complaint, and I will deal with them separately.

The accident

My starting point is to look at Miss D's insurance policy and the terms and conditions attached to it. I can see from Admiral's policy booklet, that General Condition 2 allows Admiral to accept liability on Miss D's behalf and to take over and settle any claim as they see fit. This is common in car insurance policies. Admiral relied on this to accept liability and settle the claim. It is not my role to decide who was at fault for the accident. However, I can look to see if Admiral settled the claim in a reasonable manner and in line with the available evidence. This will include whether the dashcam footage should have been disclosed to Miss D.

Miss D's concern is that the case has been settled and liability accepted when she did not believe she had been involved in an accident. She has said that if she were able to see the dashcam footage she would accept what it showed. I understand Miss D's position. However, the third party's solicitors have refused to allow disclosure, and I cannot require Admiral to disclose the footage to Miss D in these circumstances.

I would like to reassure Miss D, however, that I have viewed the footage which is date and time stamped. The footage is taken from a camera on the front driver's side of the bus and gives a rear view. I can see that it was raining and that there was slow moving traffic on both sides of the road. The bus appears to be stationary when Miss D's car pulls out slowly from behind the bus in order to overtake. Miss D's car passes very close to the bus and, although it is difficult to be sure, there appears to be contact between the front passenger side of Miss D's car and the rear driver's side of the bus. Miss D's car pulls alongside the bus and overtakes. It does not stop. Stills taken from another bus camera show the registration number of Miss D's car as it passes in front of the bus. I am satisfied from the dashcam footage and stills that Miss D's car was involved in the accident.

Miss D has said that no one else drives her car. She has provided photos and I can see that there is what appears to be a minor scrape to the front passenger side door. Miss D says that this was there prior to the date of the accident. Although I can't say the damage was caused by the accident, it is consistent with the circumstances. I have also seen the third party's account of what happened and an engineer's report. Admiral looked at these, along with the dashcam footage, stills, and photos provided by Miss D, in order to determine liability.

From what I have seen, I think Admiral have acted fairly when considering the question of liability and I cannot say that their decision to accept liability was unreasonable.

Additional premium

Admiral have not specifically considered this issue as misrepresentation - that is where a consumer provides inaccurate or incomplete information when taking out or renewing an insurance policy. Misrepresentation may have allowed Admiral to avoid the policy altogether

and would have made it difficult and more costly for Miss D to obtain insurance in the future. As Admiral have not dealt with this as misrepresentation, I have not done so either.

Admiral simply say that once they became aware of the accident and the claim, the original premium needed to be adjusted. Had they known about the accident at renewal, the higher premium would have been charged from the policy start date. I do not think this is an unreasonable approach. Miss D was advised of this in her renewal letter where it said "if a claim arises before your renewal date, we may have to amend this renewal offer". She was also advised to check the renewal documents to ensure all the information was correct.

Whilst I appreciate that Miss D says she was not aware of the accident, it should have been declared before renewal. If it had been, Admiral would have calculated the original premium differently. When calculating premiums, insurers take into consideration a large number of risk rating factors. In other words, they assess the level of risk each policyholder poses and the likelihood of them making a claim in the future by looking at many different factors. An accident or claim is one factor they will consider.

Admiral has provided me with confidential business sensitive information to explain how Miss D's price increase was calculated. I can't share that information, but I've checked it carefully. I'm satisfied that the premium was calculated according to Admiral's rating policy and that Admiral treated Miss D in the same way it would treat other policy holders in similar circumstances.

I've also considered whether Miss D was prejudiced by the late adjustment in her premium, and I can't see that she was. If Admiral had known about the accident, I'm satisfied that the additional £732.48 would have been charged from the outset. Miss D was properly notified of the additional premium and given the opportunity to cancel the policy if she wished. She chose not to do so. In any event, if she had, she would still have needed insurance for her car and would have had to take out insurance elsewhere, declaring the accident to any new insurer.

Miss D is unhappy that the additional premium was taken automatically from her account. Miss D does not dispute that she was sent an email on 30 December 2019 notifying her of the additional premium. I can see from this email that she was also warned that if she did not cancel, the premium would be taken from her account automatically on 13 January 2020.

Miss D set up her policy with Admiral allowing for automatic renewal. There is nothing wrong with the automatic payment of renewals or additional premiums provided the insurer has properly explained what is going to happen. I have looked at Miss D's renewal notice and can see that she was told that the renewal premium would be taken automatically. She was also advised that any future additional premiums would be taken from her account in the same way. This is confirmed in General Condition 5 in the policy booklet. She was also clearly advised of this in the email of 30 December 2019. At present, I do not think that it was unreasonable for Admiral to take the additional premium automatically and do not intend to require them to make repayment. Also, at present I do not think that Admiral have acted unfairly when dealing with either part of Miss D's complaint."

Responses to my provisional decision

I have not received a response to my provisional decision from either Admiral or Miss D.

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.

Given neither party has provided any new information, my final decision and reasoning remains the same as in my provisional decision.

My final decision

My final decision is that I don't uphold Miss D's complaint. I don't require Admiral Insurance Company Limited to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 27 October 2021.

Elizabeth Middleton
Ombudsman