

The complaint

Mr L and Mrs L complain that Admiral Insurance Company Limited closed their claim on their motor insurance company and didn't recover their policy excess as they had expected. Mrs L is a named driver on Mr L's policy.

What happened

Mrs L was involved in a collision with a lorry at a roundabout and she reported this to Admiral. Mr L said they were told that if they went ahead with repairs to their car there was a good chance the policy excess would be retrieved. This was £425. They had the car repaired and paid the excess, but Admiral then said it had closed the claim as it said there wasn't sufficient evidence of the lorry's involvement.

Mr L was unhappy with this as he felt they'd been misinformed and had incurred losses due to the excess and increased premiums as a result of the fault claim. Admiral agreed it hadn't explained the recovery of the claim costs clearly and paid Mr L £50 compensation. But Mr L was unhappy with this.

Our investigator recommended that the complaint should be upheld. She thought Admiral hadn't done enough to pursue the claim against the other insurer. She thought it should do more to try and identify the lorry's owner through a DVLA check. And she thought it should ask the other insurer for evidence to show the whereabouts of the company's lorries at the time and date of the collision. And she thought Admiral should increase its offer of compensation to £100.

Admiral replied that the onus was on the claimant to show that the other party was involved and at fault. It thought a DVLA check would identify the registered keeper, not the driver of the lorry. It thought it couldn't identify the lorry's driver from the information it had.

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.

Mrs L told Admiral that her car and the lorry entered the roundabout at the same time and the lorry's trailer hit the side of her car. Admiral said the other insurer that it identified from a registration provided by Mrs L had denied involvement.

The investigator has already explained that it isn't our role to decide who was responsible for causing the accident. This is the role of the courts. Instead, our role in complaints of this nature is simply to investigate how the insurer made the decision to settle the claim. Did it act fairly and reasonably and in line with the terms and conditions of the policy? And has it treated Mrs L the same as someone else in her position.

Admiral is entitled under the terms and conditions of its policy with Mr L to take over, defend, or settle a claim as it sees fit. Mr L has to follow its advice in connection with the settlement of a claim, whether he agrees with the outcome or not.

This is a common term in motor insurance policies, and I don't find it unusual. Insurers are entitled to take a commercial decision about whether it is reasonable to contest a third party claim or better to compromise.

That said, we expect an insurer to make reasonable attempts to investigate a claim and consider the evidence before making its decision.

There were no independent witnesses or CCTV images of the incident. Mrs L provided Admiral with the registration number of the lorry she said had collided with her. And she provided a photograph of it. But this was blurry, and the registration and signage couldn't be read. I can't see that Mrs L provided any further details of the lorry and, as the driver didn't stop, she wasn't able to provide a description.

Mr L initially didn't want to make a claim until an admission of liability was obtained from the other insurer. He was then told by Admiral that it couldn't pursue the other insurer through legal means unless it had an outlay to recover. It said there was chance of a 50/50 settlement which was common in roundabout collisions. So I think Mr L was left with the understanding that if he made a claim he was likely to recover some of his policy excess.

So Mr L had repairs made to his car and he paid his policy excess. But Admiral then said the other insurer disputed involvement and as it couldn't rely on the blurry photographs it couldn't pursue the matter further and so closed the claim. But I agree with the investigator that Admiral hasn't reasonably done enough to investigate the claim and so hasn't justified its decision.

I say this because Admiral had a registration number provided by Mrs L. I think it could have checked with the DVLA that the lorry's owner matched the other insurer's client. And I think Admiral could have asked the other insurer for evidence that the lorry company's vehicles weren't at the location at the time of the accident. But Admiral hasn't provided us with any of its communications with the other insurer. From what I've seen, it relied on the other insurer's blank denial of involvement. So I can't see that it did enough before deciding to abandon the recovery of its outlay.

Admiral said these checks wouldn't identify the lorry's driver and also there wasn't evidence to show they were at fault. But I think the challenge to the other insurer for information of the whereabouts of its client's lorries at the time could have identified the driver. And I think Admiral had already raised Mr L's expectations that a roundabout collision could be settled 50/50. So I don't agree that these checks would inevitably be pointless, and I think Admiral should still pursue them.

Admiral didn't explain to Mr L what would happen if the other insurer wouldn't accept liability. Admiral agreed that it should have made this clearer to Mr L. So I think it raised his expectations. I think it led him to decide to have his car repaired, and pay his policy excess, on the expectation that he would recover some of this. Admiral paid Mr L £50 compensation for this. But I agree with our investigator that £100 compensation is more appropriate in the circumstances to reflect the size of the policy excess Mr L paid and his trouble and frustration. Mr L said he hasn't cashed his cheque, so it may need to be reissued.

Putting things right

I require Admiral Insurance Company Limited to do the following:

1. Reopen the claim, carry out a DVLA check on the registration provided by Mrs L, and ask the other insurer to confirm the location of its client's lorries at the date and time of the incident.
2. Pay Mr L £100 (in total) compensation for the distress and inconvenience caused by its level of service.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require Admiral Insurance Company Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Mrs L to accept or reject my decision before 17 December 2021.

Phillip Berechree
Ombudsman