

The complaint

Mr M complains about how Admiral Insurance Company Limited handled a claim made on his motor insurance policy. He wants to be held not at fault, and for Admiral to reimburse his policy excess and to pay him compensation for his inconvenience.

What happened

Mr M was involved in a collision with another driver and Admiral said he would be held at fault. When Mr M complained about this, Admiral wrongly told Mr M that liability was still being reviewed. So Mr M tried to find out what was happening on many occasions, without success. Admiral paid Mr M £150 compensation for delays in the claim and poor communication. But Mr M said he was left with the impression that the liability decision may be reversed based on case law.

Our Investigator recommended that the complaint should be upheld. He thought Admiral had reasonably held Mr M at fault for the accident, as it was entitled to do by the policy's terms and conditions. But he thought Admiral had repeatedly confused Mr M with its poor communication and this had caused him avoidable frustration and inconvenience. Admiral had offered Mr M £100 further compensation for this. But the Investigator recommended that this should be increased to £200.

Admiral agreed to do this. But Mr M replied that he thought Admiral had recorded the incorrect outcome for his claim. He asked for an Ombudsman's review, so his complaint has come to me for a final decision.

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 can understand that Mr M feels frustrated by how his claim has been handled and by the confusing communications from Admiral.

From what I can see, the accident happened when Mr M pulled out of a junction and collided with another car that he thought was turning left into his junction. The other driver had been indicating to turn left into this junction but changed his mind at the last moment and continued straight ahead. Mr M looked left and then pulled out without again checking his right and so the cars collided. Mr M said the other driver admitted liability at the scene. So he thought he shouldn't be held fully at fault.

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 Mr M the same as someone else in his position.

Admiral is entitled under the terms and conditions of its policy with Mr M to take over, defend, or settle a claim as it sees fit. Mr M has to follow its advice in connection with the settlement of his 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 reasonably investigate a claim and consider the evidence available before making a decision on liability.

The evidence that Admiral had to consider was the two driver's versions of events and the damage to their cars. There were no independent witnesses or CCTV footage available. So Admiral made its decision based on the Highway Code which put greater onus on Mr M to take care as he was emerging into a main road. It also said Mr M should be alert to misleading indicator signals. It said it couldn't prove that the other driver had been negligent. And it thought a judge would find against Mr M if the matter went to court. So it held Mr M fully liable for the accident.

Mr M thought the decision may have been affected because the other driver was also insured by Admiral. But I can't see any evidence of this. I can see from Admiral's file that it dealt with the two claims separately. And Admiral has already explained to Mr M that the other driver's admission of fault wouldn't be held against him as he couldn't be proved to have been negligent.

I think Admiral made its decision on liability after reasonably investigating the claim and considering the evidence. I think it's entitled to this by the policy's terms and conditions. So I can't say that Admiral did anything wrong in this or needs to change its decision.

In responding to Mr M's complaint, Admiral quoted case law where a judge had found in favour of an emerging driver. But the circumstances weren't the same as Mr M's accident. In Mr M's case, there were conflicting versions of events, there was no corroboration of the events, the other driver hadn't slowed down, and the driver had turned off his indicator. And so I think Admiral reasonably admitted that it had made a mistake in quoting this case law and paid Mr M £50 compensation for its error.

And it later paid Mr M a further £100 compensation for the trouble and upset caused by its poor claim handling. It had repeated the same error and wrongly referred Mr M to its legal service which didn't get involved in liability decisions.

I think this caused Mr M considerable confusion, frustration and trouble. And I can see that Admiral has agreed to offer Mr M £200 further compensation for this and its poor communication. I think that's in keeping with our published guidance for the level of impact these errors had. So I think that's fair and reasonable compensation for the trouble and upset caused.

Putting things right

I require Admiral Insurance Company Limited to pay Mr M £200 further 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 in part. I require Admiral Insurance Company Limited to carry out the redress set out above, as it's already agreed to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 15 September 2022.

Phillip Berechree
Ombudsman