

## The complaint

Mr U complains about Admiral Insurance Company Limited's handling of a claim and its decision to settle with the third-party, under his wife's motor insurance policy.

## What happened

In January 2021 Mr U was involved in an incident when driving. He says he was stationary at traffic lights and then rolled forward three feet touching the car in front. He says the third-party's car was in a very poor condition. Mr U contacted Admiral and asked it not to settle the claim from the third party as it would be "*based on dishonesty*". But Admiral settled the claim anyway without involving him.

Mr U doesn't think the engineer reports conclusively show that the damage claimed was as a result of the incident. He complained to Admiral and it offered him £200 compensation for a lack of communication, failing to provide copies of reports, delays, difficulties in supplying evidence, and for inspecting the wrong part of his car.

Admiral subsequently arranged for a desktop assessment of the claim. It says if this confirmed there was no possible way Mr U's vehicle caused the damage to the third-party vehicle then his no claims bonus would be reinstated. The assessment didn't rule out the impact causing damage to the third-party. So, Admiral concluded it had settled the claim appropriately.

Mr U didn't think this was fair and referred his complaint to our service. Our investigator didn't uphold his complaint. He says Admiral acted in line with its policy terms when settling the claim as it thought best. He thought communication could've been better, but the compensation Mr U received was fair to acknowledge this.

Mr U wasn't satisfied with this outcome and asked for an ombudsman to review his complaint.

It has been passed to me to decide.

## 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 have decided not to uphold Mr U's complaint. Let me explain.

My remit here is to consider whether Admiral treated Mr U fairly when handling this claim and deciding to settle with the third-party.

Mr U describes the accident as his car having rolled a few feet into the back of the third-party's car. There is no dispute that his car impacted the other vehicle, albeit Mr U maintains this was at a slow speed and didn't cause any damage. He says the third-party car was already in a very poor condition before the incident and it can't be shown that the damage claimed wasn't pre-existing.

I acknowledge Mr U's comments that he told Admiral not to settle the claim. I've read his policy terms to understand what is expected to happen in these circumstances. The policy terms, under the heading, "*General Conditions*" say:

"*We are entitled to:*

- *conduct the defence or settlement of any claim on your behalf*

This term is typical of motor insurance policies. It means that Admiral has a contractual right to settle the claim how it chooses. It doesn't need Mr U's consent or agreement to do this. That said, we still expect Admiral to handle the claim reasonably and to do so based on the facts and evidence.

I've read the inspection reports that were arranged by Admiral. I note that during the first inspection that took place in March 2021, the engineer focused on the rear of the car. The report says the instruction was to inspect for damage to the front of the vehicle. But on discussion with Mr U's wife she had advised it was the rear of the car that he was supposed to look at.

Mr U was involved in an earlier accident when the rear of his car collided with another vehicle. I understand this is why there was some confusion as Mr U's wife thought it was the earlier accident the engineer was interested in. The engineer says he took some images of the front of the car but commented, "*they are not particularly close*". He comments that the photos don't appear to show any damage.

In May 2021 a further inspection was carried out, whilst Mr U was present. The report says, "*light accidental damage to the front bumper at 63 to 66cm, however it is possible that this minor damage maybe related to a previous incident. The front number plate and plinth protrude on this vehicle therefore its likely that contact would have been made in this area first, however, there is no evidence of damage*".

I've seen the report from the inspection of the third party's car. This includes photos of the rear bumper. I can see that there are marks on the bumper above the number plate and the right-hand section appears to be misaligned with a gap showing.

Admiral arranged for a desktop inspection of Mr U's car as a result of his concerns with how it'd handled the claim. I've read the report that was produced. It says that the purpose of the report is to consider the consistency of the damage caused. The engineer comments that the photos of Mr U's car are of a good quality. The report says, "*They [the photos] show the vehicle to exhibit markings to its front bumper cover above the registration place [sic], which may be incident related...*".

The report also comments that, "*The images of the [third-party's car] are of a lower quality and the inspection was carried out in adverse weather conditions. The images show the [cars] rear bumper cover to exhibit a recent marking consistent in height and profile with the upper edge of [Mr U's car's] registration plate...Accounting for the differences in resistance to damage of these models the damage to the [third party car] resulting from this incident cannot be ruled out*".

I acknowledge Mr U's view that the damage to his front bumper was only reported at the second inspection in May 2021 not at the first inspection in May. He says this damage was caused sometime after the inspection in March and isn't connected to the incident in January.

I acknowledge Mr U's argument. But I note he hasn't confirmed how the damage occurred if

this wasn't at the time of the incident in January 2021. The engineer identified that the damage to the third party's bumper aligned with the upper edge of Mr U's number plate. And he couldn't rule out the possibility that damage was caused to the third party's rear bumper as a result of the collision.

In its complaint response, Admiral says that if the third party can show on the balance of probabilities that Mr U's car caused the damage, then it's reasonable to accept this. It says the first part of proving this claim is accepting that the vehicles came into contact during an accident. Mr U doesn't dispute that his car collided with the rear of the third-party's car, which I think reasonably proves there was contact.

The engineer reports indicate the height of Mr U's registration plate aligns with the damage seen on the third-party's bumper. Admiral says its unable to prove he didn't cause damage to the bumper. It says that in its experience of the civil court, the third-party has shown, on the balance of probabilities, that damage occurred as a result of this incident.

I acknowledge Mr U's comments that the third-party's car was in a poor condition prior to the incident. I don't dispute this. But as Admiral explains in its complaint response, if Mr U caused damage to the third-party's car, regardless of its condition, then the third party is entitled to claim for this.

Based on the evidence I think Admiral has shown its decision to settle the claim as it did, was reasonable. Had it continued to dispute the case, and this ended up in court, I think it's shown there's a good chance it would have lost, which will have resulted in further costs.

Admiral has paid Mr U £200 compensation and £10 for out of pocket expenses. From the information I've seen there were aspects of the claim that could've been handled better. Communication regarding how evidence could be provided doesn't appear to have been very clear. Admiral concedes its general standard of communication wasn't at the level it would expect, which I think is a fair assessment. I also think Mr U's concerns about the damage claimed being caused by the accident, could've been investigated more quickly and this delayed matters. However, I think Admiral's apology for the inconvenience caused along with its compensation payment is fair.

Having considered all of this, I don't think Admiral behaved unfairly when relying on its policy terms and settling the claim in the way it did. I don't think it treated Mr U fairly regarding the delay in investigating his concerns and with the poor standard of communication. But I think its apology and compensation is reasonable in acknowledging this. So, I can't fairly ask it to do anymore.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 14 October 2022.

Mike Waldron  
**Ombudsman**