

## **The complaint**

Mr V complained that Admiral Insurance (Gibraltar) Limited took too long to deal with a third-party claim under his motor insurance policy

## **What happened**

Mr V's daughter was driving his car when it was involved in an accident. His car wasn't damaged and so he didn't make a claim, but the third-party did. Mr V said he assumed Admiral had dealt with the claim and closed it as he didn't hear any more from them, and it was not until about October when he tried to get new insurance elsewhere, that he discovered that the claim remained open.

He said this meant the premiums had increased so much as to be unaffordable for him to insure his daughter to drive. This made her getting around inconvenient and expensive for her and his family as she had to rely on lifts and taxis. He wanted compensation for that.

Admiral accepted that they could have acted more quickly to progress the matter at first. They showed that in about June they'd written to both the third-party and to Mr V and had asked him for some further information, but hadn't followed this up proactively. They offered him compensation of £50 for that and some poor communication. But Admiral said that because a third party had made the claim, how quickly it progressed wasn't something they could control entirely.

The investigator didn't think that £50 was sufficient compensation. He thought that Admiral should increase this to £125 and made recommendations as to how they should keep Mr V updated about progress to settle the claim. But the investigator thought that, even if Admiral had acted proactively earlier, that didn't mean that Admiral would have been able to close the claim before Mr V's policy was due for renewal. So they didn't think that Admiral should cover any travel costs.

Admiral accepted the investigator's recommendation to increase the compensation to £125, but Mr V didn't agree, and the complaint was 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.

Mr V said that the compensation the investigator recommended still didn't reflect what Admiral's actions had cost him, despite their admission of fault. He felt that it meant that insurers were getting away with poor treatment of consumers without sufficient repercussions. However, as the investigator explained, we don't have the power to punish or fine businesses as we don't monitor or regulate them. Instead we look at individual complaints and decide whether a business has acted fairly and reasonably.

Admiral admitted that they should have acted more proactively at the start of the claim, but even if they had, I think that doesn't mean that the claim would have been closed before Mr V's policy was due for renewal. It wasn't guaranteed that the claim would've settled before then. It's not unusual for third party claims to take longer than this to settle and insurers aren't required to cover all a consumer's costs in the meantime. I agree that the speed at which the claim progressed wasn't fully within Admiral's control and depended on what the third party did and when. Admiral had explained this to Mr V and I think that was fair.

I do see that Mr V is frustrated at the situation, but I think that Admiral haven't acted unfairly and the amount of compensation the investigator recommended is reasonable in the circumstances.

### **My final decision**

For the reasons given above, my final decision is that I partly uphold the complaint.

I require Admiral Insurance (Gibraltar) Limited to pay Mr V £125 in compensation to reflect his distress and inconvenience.

Admiral must pay the compensation within 28 days of the date on which we tell them Mr V accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 26 April 2023.



Rosslyn Scott  
**Ombudsman**