

## **The complaint**

Mr O complains about how Admiral Insurance (Gibraltar) Limited (“Admiral”) handled and recorded a notification he made about an incident under his motor insurance policy.

## **What happened**

Mr O had a motor insurance policy with Admiral covering his car.

In June 2022 he was involved in an incident when he collided with a third-party vehicle in front of him. He described the collision as a ‘tap’. Mr O was able to record the registration number of the third-party vehicle, but the driver didn’t leave any other details.

He reported the incident to Admiral.

Admiral recorded the incident on its system. It also shared details of it to a central database used by insurers across the marketplace to record details of incidents that may or may not have given rise to a claim.

Mr O didn’t need to make a claim for his own damage.

Admiral told Mr O that it would leave the claim open in case the third party wanted to make a claim against his policy. It told him that it would leave the claim open for six months.

Mr O said the incident being left open would affect the renewal on his policy, which was due. He complained to Admiral. He was unhappy because:

- He was told initially that the claim would be closed if Admiral didn’t hear from the third-party. But later he was told Admiral would keep the claim open for six months.
- Admiral used the word “strike” when talking about Mr O’s No Claims Discount (NCD) which is a term he wasn’t familiar with.
- His premium increased at renewal because of the claim being open and it will impact the price of his future policies.
- His NCD reduced to 13 years when he was told it wouldn’t be affected by the claim and should have been 15 years.
- He didn’t think it was reasonable for Admiral to keep issuing hold letters to him without an explanation.

Admiral agreed it had made a mistake regarding Mr O’s NCD. It upheld that part of his complaint and awarded him £50 compensation for it, plus £25 for its late response to his complaint.

Mr O remained unhappy and brought his complaint to this service. He also complains about the record Admiral made on the central database.

Our investigator looked into Mr O's complaint and didn't uphold it. She thought that Admiral had made an error with his NCD, but it had acted fairly about that. She didn't think Admiral had acted unfairly with the rest of his complaint.

Mr O didn't agree with the view. He asked for his complaint to be reviewed by an ombudsman, so it has been passed 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.

Having done so I'm not going to uphold it and I'll explain why.

It seems to me that Mr O feels he's been penalised by his honest actions in reporting the collision that took place in late June 2022. It's important that I point out that that in Mr O's policy wording there are several sections dealing with what he must do after a collision happens. One of those is:

*"If you or your vehicle are involved in any type of incident, regardless of fault, you must tell us about it within 48 hours*

*Failure to comply with the above could result in the claim being refused and/or your policy being cancelled."*

So, Mr O should understand that he did comply with the terms of his policy by notifying Admiral of the collision.

### **Keeping the claim open**

I've listened to the calls between Mr O and Admiral when he made the claim and about a week later when he asked about the claim still being open. The first conversation is quite difficult to hear clearly, but I agree that Mr O wasn't told about the claim being open for six months. It is clear to me that Mr O focuses on the fact that there is no "claim" being made under the policy. The call handler tells him the claim will be kept open, and Mr O then says he thinks a week is enough.

It's important that I say that insurers don't just ask for "claims" information, but "any accidents, incidents, thefts, losses or claims (regardless of blame)". I've taken this wording from Admiral's policy wording.

In the second call to Admiral, Mr O is then told the claim would be left open for six months and it's clear he's unhappy about this because of the impact it'll have on his premiums.

A claimant may have up to six years to bring a claim, but insurers will also have an understanding of when a claim is likely to be brought in incidents like the one Mr O had. They will leave the claim "open" on their system ready for the third-party to take action.

For an incident like the one Mr O has described, I don't think it's unreasonable for an insurer to do this and the six-month approach mentioned by Admiral is common across the insurance industry.

Admiral ultimately closed the claim earlier than six months, and it explained why it'd done this to Mr O:

*“We do review files earlier and see if we can close the case, as such on this incident, we have closed your file as no claim or contact has been received from the third-party or their insurers.”*

Mr O has also complained about Admiral recording this on the central database I've mentioned earlier. Admiral, in common with other insurers, shares data in this way. It has said it recorded Mr O's incident as “notification only”. I think that's an accurate record of the situation. Mr O hasn't made a claim, and the third party hasn't. But an incident clearly took place and I think Admiral has fairly recorded it, so I'm not going to ask Admiral to change it.

In later correspondence Mr O has asked that his record on the database is changed to a different wording. This isn't something I'm able to comment on as this service doesn't have authority over the database.

### ***“Strike” wording and NCD***

I can see that Admiral has responded to Mr O's complaint about the use of the word “strike”. When put into context, which Admiral does on its website, I think the word is clearer:

*“How does my No Claims Bonus protection work?”*

*If this is your first claim, you will receive one strike against your No Claims Bonus protection.”*

I can also see that Admiral wrote to Mr O after he told it about the incident, and the letter he was sent uses the phrase I've included above.

The use of the word is common and only needs a simple explanation that the “strike” is against the protected element of his NCD. I don't think Admiral's use of it is unfair.

I can see that Mr O has said that he thinks he will lose his NCD entirely if he makes another claim before 2025. That's not my understanding of how NCD protection works and I'd ask that he clarifies that with his current insurer. Typically, the protection stays in place for two claims in three years, and if a third claim happens then the NCD is reduced in steps.

Admiral's letter to Mr O helps explain how Admiral apply its NCD protection and I'd ask him to review it.

Admiral has already agreed with Mr O that it made a mistake in applying his NCD at renewal. I agree that it did make a mistake, and I think the impact of it is small. Admiral has paid Mr O £50 compensation for its error and I think this amount is fair and in line with this service's recommendations.

### ***Renewal pricing***

Mr O has also complained about the impact of him notifying Admiral about the collision on his renewal premium, and on future policies he buys. It's important that I say it's not the role of this service to tell insurers what to charge for a particular driver or policy. Insurers make commercial decisions about what they will charge and in Mr O's case, because he reported an incident shortly before his policy renewal, Admiral will have re-assessed his policy and provided him with a revised price which was higher.

I don't think it's unreasonable for Admiral to do this and I'm not going to ask it to do more.

Other insurers will use the information Admiral has added to the central database in their

assessment of Mr O when he approaches them for a quotation in future. Given that I've said above that I think Admiral's recording of the incident was fair, I can't ask Admiral to do anything differently.

The insurers Mr O uses in future will make their own assessments, so I'm not able to make a decision about those.

### ***Hold letters***

I can see from the file that Admiral sent correspondence to Mr O about the status of his complaint, which he found vague. These letters relate to Admiral's handling of his complaint, which isn't a regulated activity. So I'm not able to comment on the letters here.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 18 April 2023.

Richard Sowden  
**Ombudsman**