

The complaint

Mr D has complained that Admiral Insurance (Gibraltar) Limited continued to contact him when he asked it not to. Mr D reported an incident but said he didn't want to make a claim and had scrapped his car.

Mrs D is a named driver under the policy and representing Mr D in his complaint.

What happened

In November 2022 Mr D reported a collision between his car and another vehicle. He said he didn't intend to make a claim against his policy and was scrapping his car.

Although Mr D said the third party didn't intend to make a claim, his insurer Admiral opened a file in line with industry approach when notified of an incident involving a third party, and due to the circumstances of the incident. After the initial notification call, Admiral contacted Mr D to ask about making a claim, even though he'd asked it not to. So Mr D raised a complaint.

Mr D lives with a medical condition. The impact of unwanted contact from Admiral had a significant impact on Mr D, Mrs D and their daily lives.

In January 2013 Admiral received confirmation from all parties that there was no intention to claim against Mr D's policy. So it closed the claim. It apologised for the distress it had caused by contacting Mr D about making a claim and paid Mr D £300 compensation. It explained that it had received a claim on behalf of Mrs D about the incident via the Official Injury Claim (OIC). And that it couldn't close the claim until it knew no party intended to claim against the policy.

Mr D hadn't paid the premium which was due later in November 2022. Admiral wrote to Mr D to say he owed this premium. Mr D didn't agree he did as he didn't want to make a claim and the car had been scrapped. He continued to receive reminders about the premium being overdue and the consequences of not paying it. So he raised a second complaint.

Admiral upheld the second complaint in March 2023 and paid Mr D £175 compensation. £25 of this was for its delay in responding to his complaint. It apologised to Mr D and said he didn't owe a balance under the policy.

Mr and Mrs D asked us to look at Mr D's complaint. Mrs D said that she had to give up work as a result of the impact of Admiral's actions on Mr D as it had made his medical condition worse. She didn't think the compensation Admiral had paid was enough to reflect the distress and inconvenience its actions had caused Mr D. She said Mr D was worried that bailiffs were going to arrive at their home and the worry had caused him sleepless nights.

Our Investigator thought Admiral had the opportunity to handle things better much sooner as it was made aware of Mr D's circumstances soon after he reported the incident. She didn't think Admiral had acted reasonably in its duty to support Mr D as a vulnerable customer. And so, the impact on Mr D and his daily life due to Admiral's failings had a more significant impact than it might have on a customer who wasn't vulnerable.

So the Investigator recommended Admiral increase the compensation it paid Mr D from £475 to £750.

Admiral agreed with the Investigator's findings. Mrs D didn't agree and says it isn't enough. She's provided evidence of being signed off from work which she says is due to the deterioration in Mr D's medical condition, caused by Admiral's poor service.

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.

There's no doubt that the impact of Admiral's poor service was significant on Mr D, and on his family, in light of the medical condition he lives with.

I realise that Mrs D doesn't agree that an increase in the compensation award to £750 is enough to resolve Mr D's complaint. And I appreciate that she has provided evidence of being signed off work. Mrs D says she isn't able to work due to the impact Admiral's poor service has had on Mr D's existing medical condition. Mrs D had intended to provide a medical report to support this. But she has since advised that they will not be sending a report.

The compensation award of £750 is I think reasonable - and in line with our approach. Examples of our awards can be found on our website. We can make an award up to £750 where the impact of an insurer's errors has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out.

This amount is toward the top end of what we would award where typically, the impact lasts over many weeks or months. But we also think it fair to award up to this amount if a mistake has a serious short-term impact. I think the circumstances in this case closely match our approach to awards for compensation. So I'm not asking Admiral to pay more than this.

My final decision

I understand Mr and Mrs D will be disappointed with the level of compensation I'm awarding. I uphold Mr D's complaint. I require Admiral Insurance (Gibraltar) Limited to pay Mr D a total of £750 compensation for the distress and inconvenience caused by its poor service.

Admiral Insurance (Gibraltar) Limited must pay the compensation within 28 days of the date on which we tell it Mr D accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 28 June 2023.

Geraldine Newbold
Ombudsman