

The complaint

Mr S complains that Admiral Insurance (Gibraltar) Limited mishandled his motor insurance policy.

What happened

For the year from June 2021, Mr S had a motor policy with a competitor of Admiral, which I will call “the 2021/2022 insurer”.

In mid-January 2022, Mr S reported an incident to that insurer.

Later, Mr S reported that his car had no damage, and there was no claim.

The 2021/2022 insurer quoted an increased premium for renewal for the year from June 2022. Mr S complained to the 2021/2022 insurer about that.

Mr S brought that complaint to us. In mid-September 2022, our investigator didn’t recommend that the complaint against the 2021/2022 insurer should be upheld.

For the year from June 2023, Mr S got a quote from Admiral of about £1,000.00. But, when he tried to accept it, Admiral checked the Claims & Underwriting Exchange (“CUE”) database and found a record of the January 2022 incident. Admiral asked Mr S to pay an increased premium of about £1,400.00.

Mr S complained to Admiral that it wasn’t treating him fairly.

By a final response dated mid-July 2023, Admiral turned down the complaint.

Mr S asked us to investigate.

Our investigator didn’t recommend that the complaint against Admiral should be upheld. He thought that the increase in premium was correct. He didn’t think that Admiral was responsible for the claim existing on CUE.

Mr S disagreed with the investigator’s opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- He has an autism diagnosis, which sometimes means he can be quite formal, and reports things that occur.
- He told the 2021/2022 insurer that an elderly driver had driven into a van in front of his car.
- The investigator’s opinion on the complaint against the 2021/2022 insurer led him to believe he would not suffer a financial penalty as a result of the recording.
- The 42% premium increase is completely inappropriate.
- The 2021/2022 insurer sent a headed letter that states that they hope it would allow

Admiral to refund the additional premium.

- In the letter from Admiral, they have said they will not communicate further on the matter.

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.

Different insurers assess risk and premiums in different ways at different times. I can't say that one approach is less fair than another, provided that it applies equally to all consumers in the same position.

I'm dealing with the complaint against Admiral. I will not name the 2021/2022 insurer or make any findings against it.

I've looked at Mr S's description of the incident in his complaint in June 2022. He said that the third party hit a van.

Our investigator's opinion on the complaint against the 2021/2022 insurer was as follows:

"The Outcome

I have considered the information provided by both parties and I don't intend to uphold this complaint. B have provided confidential commercially sensitive information confirming how the premium it quoted C was calculated. B has an obligation to keep a record of any accidents or incidents it's made aware of, so despite my empathy to C's situation I'm not asking B to take any further action.

The Key Points

- *C was involved in an incident where a third party reversed into C's car whilst it was stationary. C reported the incident to B and the car was checked for any damage.*
- *After C was able to confirm that the car hadn't been damaged B was updated. C requested that the claim be closed as neither C nor the third party were making a claim on the policy for any damages. The claim was not initially closed when it should've been by B.*
- *B did provide confirmation that the incident was recorded as a non-fault notification only and the no claims bonus wasn't impacted. This is what we would expect to happen in this situation. I accept that B didn't close the claim as soon as it should've, but from the information provided it doesn't look like this made a difference to the premium B quoted C.*
- *Although I can understand C's frustration that the premium increased when a claim wasn't made, it's up to B to decide what information it considers when calculating the premium. I have reviewed the confidential information provided by B, although I'm not able to share the specifics with C I can't say B made any errors."*

I accept Mr S's statement that this opinion led him to believe he would not suffer increased premiums as a result of the 2021/2022 insurer's record of an incident. However, I don't consider that the investigator's opinion said anything about premiums to be set by other insurers for future years.

The Financial Conduct Authority's dispute resolution rules require a firm to respond to a complaint with a "final response" telling the consumer of their right to bring the complaint to us. While we are investigating, we don't expect the firm to enter into further correspondence with the consumer.

Admiral's final response explained that it assesses risk and calculates premiums by reference to incidents (as well as claims).

From its underwriting criteria (which I can't share with Mr S) I'm satisfied that Admiral had to take into account the record it found on CUE and it calculated the premium correctly. So I can't say that the premium was unfair.

The 2021/2022 insurer's letter in June 2023 included the following:

*"[our] record of an incident report dated 14/01/2022 has been closed to reflect the fact that no claim was made against your policy.
Accordingly your policy record was updated to reflect the fact that your "no claims discount" remains intact and should not be impacted by any incident on 14/01/2022.
I trust this will allow your new insurer to review their position regarding any potential claim for policy premium reimbursement."*

That confirms that there was a reported incident in January 2022 but no claim and no impact on no claims discount. The letter suggested that it would allow Admiral to review any claim for reimbursement of part of its premium. But the 2021/2022 insurer wasn't in a position to speak for Admiral or to say that it shouldn't take the incident into account in assessing its premium.

In conclusion, I don't consider that Admiral treated Mr S unfairly and I don't find it fair and reasonable to direct Admiral to do any more in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Admiral Insurance (Gibraltar) Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 March 2024.

Christopher Gilbert

Ombudsman