

The complaint

Mr and Mrs H complain that Admiral Insurance (Gibraltar) Limited wouldn't agree to cover damage to their vehicle after they made a motor insurance claim.

What happened

In 2012, Mr and Mrs H took out a multi-car insurance policy from Admiral, which they renewed annually.

In October 2022, Mr H was involved in an accident which resulted in damage to one of their vehicles, so they made a claim. Admiral told them the claim wasn't covered under the policy that was in Mrs H's name because Mr H wasn't a named driver. It said it would be willing to provide third party cover under a policy which was in Mr H's name.

Mr and Mrs H were unhappy with Admiral's decision. Mr H says that he was the main driver when he first set up the multi-car policy. He'd always been the main driver for the cars he owned. He was sold the policy over the phone many years before and had always paid the premiums from his bank account. Mr and Mrs H had to pay around £23,000 for the car to be repaired. So, they raised a complaint.

Admiral said the claim was passed to its claims underwriting department for investigation as Mr H was driving the vehicle, despite not being named as a driver. It said Mr H was a policyholder for another vehicle (with the registration beginning with G), and had cover to drive other vehicles, however this would not apply due to a spouse clause. It said there was no spouse clause when the policy was initially inceptioned in 2012, so Mr H would have been insured to drive other vehicles under the usual terms of Third Party Only cover. Admiral said it would not be able to evidence that it had clearly notified Mr and Mrs H of the change to the policy since it was initially inceptioned, so it would not look to repudiate the claim for driver not on cover. However, it would still not deal with the damage to Mr and Mrs H's vehicle as the driving other cars cover was third party only.

Admiral didn't agree that the multi-car policy had been mis-sold. It said it provides all the policy documents and advises that the details be checked regularly when a policy is purchased or renewed. The certificate of motor insurance confirms that only third party liabilities are covered when driving another car.

Admiral apologised for some issues with the service it had provided and awarded £225 for distress and inconvenience.

Mr and Mrs H remained unhappy and asked our service to consider the matter. Our investigator thought Mr and Mrs H's complaint should be upheld. She said she hadn't seen evidence to confirm that Mr H requested to be removed from cover for any of the cars covered under the multi-car policy. She recommended Admiral consider Mr and Mrs H's claim on a comprehensive cover basis and pay them £600 for the distress and inconvenience of having to organise and pay their own repair costs.

Admiral disagreed with our investigator's outcome. It said several changes were made to the cover in February 2020, including removing Mr H as a named driver from a vehicle for which Mrs H was the policyholder. It said the call recording for these changes was no longer available, but all documents were sent by the preferred method as part of the renewal process. The named drivers would only have been removed with permission from the caller at the time to reduce the cost of the renewal. It said there was also a call the following day to finally check information and no concerns were noted about the removal of drivers or requests to add them on.

I issued a provisional decision on 22 December 2023, where I explained why I didn't intend to uphold Mr and Mrs H's complaint. In that decision I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint."

Based on what I've seen so far, I don't intend to uphold Mr and Mrs H's complaint. I'll explain why.

The policy's terms and conditions say:

"We will not pay for any loss, damage or liability directly or indirectly caused or contributed to by:

1. Your vehicle being:

*a. Used by a person or for any purpose not shown on **your** current Certificate of Motor Insurance..."*

The certificate of motor insurance for the period April 2022 to February 2023 for the car damaged in the accident (registration beginning with O) shows Mrs H's name under "Name of Policyholder". And Mrs H's name is the only name showing under "Persons or classes of persons entitled to drive."

It's not disputed that Mr H was driving the vehicle when the accident occurred. As his name isn't showing on the certificate of insurance for it at the time of the accident, I'm satisfied that this exclusion applies.

Mr H says he understood he was insured to drive all the vehicles covered under the multi-car policy since he first took it out. The documentation from 2012 shows Mr H as being a person entitled to drive on the motor insurance certificates for all three vehicles.

However, Admiral says there have been 10 renewals and 43 amendments to the multi-car policy since it was first inception in 2012. I can see from documents Admiral has provided that there have been various changes in vehicles and persons entitled to drive.

Admiral says Mr H and three other named drivers were removed from one of the policies in 2020, leaving Mrs H as the only driver. It says there was a change of vehicle to the registration beginning with O in April 2022, which was completed online with no agent involvement, so Mrs H was carried over as the only driver. This meant that at the time of the incident in October 2022, Mrs H was the only noted driver on the policy.

It's unclear who might have spoken to Admiral in February 2020 when the amendments were made. Admiral says it no longer has a call recording available. I don't think it's fair to expect Admiral to be able to provide this, given the time that's passed.

I can see from the documents Admiral has provided that Mrs H was the policyholder for a vehicle with a registration beginning with B in 2020. There's a certificate and schedule

showing Mr H and several other named drivers on it. However, there's also documentation from 2020 for the same vehicle showing only Mrs H as being entitled to drive. The documentation from 2021 and 2022 also show only Mrs H as being entitled to drive. So, on balance I think either Mr or Mrs H is likely to have asked Admiral to remove Mr H as a named driver from Mrs H's policy in 2020, although they might not remember doing so.

Even if there was evidence to show that Admiral made a mistake when Mr H was removed as a named driver from Mrs H's policy in 2020, I still don't think it would be fair for me to tell Admiral to cover the claim on a comprehensive basis.

As far as I can tell, Mr H was never a named driver on the policy for the car he was driving at the time of the accident. The certificate of motor insurance for the period April 2022 to February 2023 for the registration number beginning with O only has Mrs H's name under "Persons or classes of persons entitled to drive". The motor insurance schedule for that period (issued on 11 April 2022) only has Mrs H's name next to "Drivers". This information is clearly showing on both documents.

Near the top of the certificate of motor insurance it says:

"This Certificate is evidence that you have insurance to comply with the law. You must read this document in conjunction with Your Car Insurance Guide and your Policy Schedule. If you wish to change any details shown below please contact Admiral. If you do not inform Admiral of any changes, you may not have the protection of the policy."

The policy schedule says:

"Please check this document carefully and if anything is incorrect, call us. If everything is correct, please keep in your file for future reference."

So, I'm satisfied that Admiral provided clear information showing that only Mrs H was insured to drive the vehicle that was involved in the accident.

I understand that Mr H was under the impression that he was insured to drive the vehicle when the accident happened, but the policy documents show that he wasn't. And I'm satisfied that Admiral provided him (as the policy administrator) with clear information to show this. So, I don't think it would be fair to tell Admiral to pay for the damage to the car under Mrs H's policy.

Admiral says it's willing to consider the claim under Mr H's own policy (for the vehicle with the registration beginning with G), but this would be on a third party only basis.

Mr H's certificate of motor insurance says:

"All drivers must be driving in accordance with the terms of their licence. The Policyholder may also drive, with the consent of the owner, a private motor car. Only Third Party liabilities are covered when driving another car. Please see Your Car Insurance Guide as restrictions will apply."

The policy's terms and conditions say:

"3. Driving other cars

Your Certificate of Motor Insurance will confirm if you have this cover. Please check this before attempting to use another vehicle.

The policyholder will be covered to drive another private motor car within the territorial limits. The cover is limited to third party damages only.

This cover will apply when:

- ...
- *The other car is not owned by you or your partner..."*

Admiral says it's willing to consider the claim under Mr H's policy, despite the clause saying the car being driven can't be owned by the policyholder or their partner. This is because this clause wasn't there when Mr H first took out the multi-car policy in 2012 and Admiral can't evidence that it advised him of the change.

While the policy terms and conditions from 2012 don't include what Admiral has referred to as the "spouse clause", they do say that cover for driving other cars is "Third Party only". So, I think it's fair for Admiral to deal with a claim for the incident under Mr H's own policy as third party only.

I know my answer will be of great disappointment to Mr and Mrs H, who I understand have incurred significant expense in having to pay for the damage to their car. But it wouldn't be fair or reasonable for me to require Admiral to pay for repairs to damage their vehicle when this isn't covered by Mr or Mrs H's policies."

I gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses

Admiral didn't respond with anything further for me to consider. Mr and Mrs H both responded to my provisional decision.

Mr H thought Admiral should have been able to provide phone recordings from 2020. He said he'd been advised to have two multi-car accounts to save him money, which had led to confusion. He felt our investigator's outcome was fair because he owned all the cars, both policies were in his name and payments for the premiums had only been made by him. He questioned my neutrality and said he found the whole process deeply stressful and upsetting.

Mrs H said Admiral had provided no evidence that Mr H had removed himself from the policy and had only referred to the small print on the current policies. She said there had been many amendments since they first took out the multi-car policy in 2012, but there were never any visible changes to the terms and conditions.

Mrs H said that to Mr H's knowledge it was his multi-car policy and he wasn't required to name himself as the main driver of the car, he wouldn't have driven uninsured, and he wouldn't have made a claim if he didn't think he was insured.

She said the third party option was never taken up. The third party driver was driving very fast and admitted liability at the scene. They had eyewitnesses and contact details to prove this, but Admiral was very dismissive of this evidence. According to its records Mrs H was the only named driver, therefore none of the above was relevant as she wasn't driving, and the case was closed.

Mrs H said the £225 received fell very short of more than £25,000 they'd paid to get the car back on the road. The disbelief and stress had been overwhelming. The attitude of Admiral had been atrocious. She felt I hadn't understood the complexity of the claim and was happy to dismiss it on a technicality.

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.

I understand it is upsetting for Mr and Mrs H that I haven't reached the conclusion they were hoping for. While I empathise with them, I need to ensure that I'm fair to both parties.

I appreciate Mr H is unhappy that Admiral hasn't provided a phone recording from 2020. But whatever might have been said in the call isn't relevant to the outcome of this complaint. When a consumer renews a policy, they take out a new consumer contract and policy documents are issued.

It's very clear from the policy certificate and motor insurance schedule (for April 2022 to February 2023) that the only person entitled to drive the vehicle involved in the accident was Mrs H. This information isn't hidden in the small print as Mrs H has suggested.

The terms and conditions for the policy Mr and Mrs H originally took out in 2012 say that only people listed on the certificate of motor insurance are entitled to drive. So, the terms and conditions regarding this haven't changed since they first took out their multi-car policy.

I don't doubt what Mr and Mrs H have said about Mr H believing he was insured when he drove the car. But I'm satisfied that Admiral provided clear information that showed he wasn't. So, I can't say Admiral is responsible for Mr H driving a vehicle that he didn't have comprehensive cover for.

Mrs H has commented that Admiral didn't pursue the third party for damage to her vehicle. But damage to her vehicle wasn't covered by the policy. Admiral has said it would be willing to consider a claim made under Mr H's own policy for third party only. This would only cover third party personal injury and damage to third party property. So, damage to Mrs H's car isn't covered under Mr H's policy either. If she believes the third party driver is responsible for the damage to her car, she might wish to pursue a claim through the third party driver's insurer.

I appreciate this isn't the answer Mr and Mrs H were hoping for, but their comments haven't made a difference to the conclusions I reached in my provisional decision.

My final decision

For the reasons I've explained, I don't uphold Mr and Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 12 February 2024.

Anne Muscroft
Ombudsman