

## **The complaint**

Miss M complains that Admiral Insurance (Gibraltar) Limited misled her when she was purchasing a policy, and she wouldn't have purchased this policy if she had been given the right information.

## **What happened**

Miss M took out a car insurance policy with Admiral in March 2022 with her partner Mr R as a named driver. Mr R has represented Miss M during the course of this complaint.

Miss M says that she was told that both she and Mr R (as named driver) would accrue no claims bonuses (NCB), but following a claim, she was later made aware that the type of NCB accrued for named drivers - in this case Mr R - was different.

Miss M complained to Admiral about this and in September 2023 and they apologised and made a payment of £25 by cheque for the incorrect advice. They also clarified their process for NCB for named drivers.

In October 2023 Admiral issued a further reply, upholding the complaint and saying that they couldn't provide proof of the NCB for the named driver, but that they could provide a document that serves as proof of the NCB, but they couldn't guarantee that other insurers would take account of it. They issued a further £50 compensation into Miss M's bank account.

Miss M then complained that the £50 hadn't arrived on time and a further £50 was awarded in respect of that delay.

Miss M was unhappy with Admiral's response and brought her complaint to us.

One of our investigators has looked into Miss M's complaint and he thought that Admiral should increase the total compensation paid by a further £150 to a total of £275.

Miss M disagreed with our investigator's view, and so the case has come to me to review.

## **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'm upholding this complaint and I will explain why.

Firstly, I will outline what I can and can't look at. Miss M has raised a complaint about Admiral's failure to pay her complaint compensation on the day she was expecting it. I'm not able to look at this because it is about Admiral's complaint handling process which is outside our powers. Miss M has also raised some new points while the complaint has been with us. As these were raised after the final response provided by Admiral, and the concern new issues, I also can't look at these.

So I will only be looking at whether Miss M was misadvised about the NCB for named drivers at the time of the sale, and what impact this has had on her and Mr R.

Unfortunately the call recordings from when Miss M took out the policy in March 2022 are no longer available. However, Admiral have accepted that on the balance of probabilities, Miss M was misadvised about the way in which the NCB operates for named drivers – and that she was advised that her named driver would accrue his own NCB.

Admiral have subsequently explained that the correct position, which is that they offer discounts to new policyholders who have not had an opportunity to earn NCB years but have a documented history of excellent driving. Admiral call this 'No Claims Bonus years' which is subject to different criteria and isn't the same as a policyholder's NCB. Admiral have said this can help bring down a premium for a new policyholder who insurers with them, but they can't guarantee other companies will accept or recognise the 'No Claims Bonus years'.

Miss M has said that if she had known the true position, she would have gone to a different insurer who did provide her named driver with his own NCB.

I've thought about this and I think it's likely that Miss M would have at least shopped around for other insurers, and possibly taken out a policy with a different insurer. However, as the incorrect information she received seemed to provide what she wanted, it influenced her decision to purchase the policy. Miss M says that she was also persuaded to take out a home insurance policy at the same time with Admiral to further provide a discount on the policy.

In terms of the impact this had on Miss M, and how to put this right, it is more difficult. There are only a few insurers who provide NCB for named drivers, some of whom appear to only offer the bonus if the named driver subsequently takes out a policy with them. So whilst I think Miss M would have shopped around, I've not seen any evidence that she would have been able to secure a policy that did exactly what she wanted for a similar or cheaper price. I'm also mindful that under the terms offered by Admiral, Mr R has accrued some benefit and would be able to get a discount on a policy in his own name with Admiral if he chose to do so, and in terms of the home insurance policy, Admiral have confirmed that taking out this policy gave Miss M a discount of £126.70 on her car insurance.

Miss M says that she wants her premiums refunded. However, I don't think it would be fair to ask Admiral to refund the premiums because Miss M has had the benefit of the policies for the time on cover, and Admiral have dealt with a claim on the car insurance during this period.

I do think, however, that it's fair to ask Admiral to pay some compensation for the poor service and the distress and inconvenience caused to Miss M by this error after finding out that the policy didn't provide the benefits that she thought it did.

For this aspect of the complaint Admiral have already awarded £75. Our investigator has recommended an additional £150, bringing the total for this part of the complaint to £225.

I agree with the investigator that £225 more fairly reflects the distress and inconvenience caused by the incorrect information, and in the light of my reasons above.

**Putting things right**

To put things right, Admiral should pay Miss M a further £150 for distress and inconvenience.

This is separate from the £50 that has been paid for complaints handling, which as I have said above, I can't comment on.

**My final decision**

My final decision is that I'm upholding Miss M's complaint about Admiral (Insurance) Gibraltar Ltd and directing them to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 21 February 2024.

Joanne Ward  
**Ombudsman**