

The complaint

Mr S had motor insurance with Admiral Insurance (Gibraltar) Limited (Admiral). He is unhappy that Admiral reduced his No Claims Bonus (NCB) and kept a claim open following an incident where his vehicle collided with a pedestrian.

What happened

Mr S's car was involved in a collision with a pedestrian, who was slightly injured but said the collision was their fault. Police and ambulance attended but the pedestrian didn't need to go to hospital. Mr S told Admiral, although he didn't need to make a claim. He also told Admiral that everything had been resolved at the scene and that the pedestrian had told him they wouldn't be making a claim against his insurance either. A couple of months later, it was time for Mr S's motor insurance renewal. The premiums went up a lot because Admiral had recorded the incident as an open claim and reduced Mr S's NCB.

Mr S wasn't happy about this, so he complained to Admiral. Admiral said that potential injured parties could make a claim against his policy for up to three years after the incident.

Admiral said:

"As such the claim on file which you advised us of will remain as an open pending future claim. This will remain open for the next policy year and unfortunately as we are treating this as a potential future claim, for now it will affect your no claims bonus. This is why I have been unable to uphold your complaint."

However, should the personal injury department decide to close the pending claim after 12 months, they will then assess the status of your no claims bonus, meaning it could be reinstated. If this is the case, our customer service will be able to review your policy to see if there is any amendment need to the policy premium you have been paying."

Mr S wasn't happy with what Admiral said so he complained to this service. Our investigator upheld his complaint. He said Admiral should close the claim as notification only and reinstate Mr S's NCB. He said Mr S found insurance elsewhere, but this clearly had an impact on his finances and personal health, so Admiral should award £150 for the distress and inconvenience caused. He explained that any rebate would be paid by the new insurer after the claim details and NCB were amended.

Mr S was happy with what the investigator said, but Admiral didn't agree, so the complaint has been passed to me.

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 uphold Mr S's complaint. I'll explain why.

When Mr S told Admiral about the incident, he explained that the pedestrian told him they

weren't going to make claim. So he was surprised that his premiums went up a lot at renewal because there was an open claim recorded against him and his NCB had been reduced. When he contacted Admiral about this, Admiral said that it needed to investigate what happened. Admiral said it had spoken to a potential witness, but this person didn't see the incident, only the aftermath, and it was waiting for the police report.

Mr S has told this service that the financial impact on him has been great and has caused him a great deal of distress. I can see that there were periods of time when Admiral said it was investigating what happened, but no progress seemed to be made. It appears from the claim notes that Admiral didn't chase the police report or possible CCTV footage, which might have enabled it to make an earlier decision. I understand from Admiral that the police report was never received. Admiral didn't contact the pedestrian or make any enquiries about them. I understand Mr S had their contact details, but it appears Admiral never asked him for them.

Admiral has informed this service that it has now closed the claim, which is now recorded as "no fault", and Mr S's NCB has been allowed. However I still think that Admiral could have progressed the matter sooner by making further enquiries. So I think it should compensate Mr S £150 for his distress and inconvenience.

My final decision

For the reasons given above I uphold Mr S's complaint. I require Admiral Insurance (Gibraltar) Limited to pay Mr S £150 in recognition of the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 June 2024.

Sarah Baalham
Ombudsman