

The complaint

Mrs H complains that Admiral Insurance (Gibraltar) Limited mishandled a claim on her motor insurance policy.

What happened

The subject matter of the claim and the complaint is a car or sports utility vehicle, with a diesel engine and first registered in 2013.

Mrs H acquired the car.

For the year from late January 2021, Mrs H had the car insured on a comprehensive policy with Admiral.

According to its MOT history, the car passed a test in mid-November 2021 with a recorded mileage of about 67,000.

Unfortunately, in late December 2021, an accident damaged the car.

By a letter dated 25 January 2022, Admiral said the car was a total loss.

Admiral paid Mrs H its pre-accident valuation of the car.

Admiral sold the car through its vehicle salvage company.

Some of the complaint is about acts and omissions of the vehicle salvage company. Insofar as I hold Admiral responsible for any of them, I will refer to them as acts or omissions of Admiral.

In about August 2022, a local authority issued penalty charge notices relating to someone's use of the car. The local authority asked Mrs H as keeper of the car to pay the penalties.

In September 2022, Mrs H notified DVLA that she hadn't been the registered keeper of the car since late January 2022.

In early December 2022, DVLA issued the most recent V5 registration document.

According to its MOT history, the car failed a test in late December 2022 with a recorded mileage of about 71,000.

According to its MOT history, the car passed a test in early February 2023 with a recorded mileage still of about 71,000.

Mrs H says that she challenged the penalty charge notices, but the local authority instructed a bailiff who visited her home. So on about 8 June 2023, Mrs H paid £1,027.00.

Mrs H complained to Admiral that, rather than scrapping her car, Admiral had sold it and not told DVLA. By a final response dated 30 June 2023, Admiral turned down the complaint. It said that it had correctly advised Mrs H to notify DVLA that she was no longer the registered keeper.

Mrs H brought her complaint to us in mid-July 2023.

Later Mrs H told us that she had got the penalty charge notices overturned in August 2023, but the local authority hadn't yet refunded her.

our investigator's opinion

Our investigator recommended that the complaint should be upheld in part. She thought that Admiral and its salvage company had a responsibility as the owners of the vehicle to notify DVLA of the change of ownership. She thought that Admiral hadn't treated Mrs H fairly, and should compensate her for distress, inconvenience and financial loss she suffered.

The investigator recommended that Admiral should pay Mrs H £250.00 compensation.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mrs H and to Admiral on 26 January 2024. I summarise my findings:

Unlike the investigator – I wasn't minded that Admiral did anything wrong in selling the car without notifying DVLA. And I wasn't minded to hold Admiral responsible for the inconvenience and distress caused by the penalty charge notices including the visit from the bailiff.

Subject to any further information either from Mrs H or from Admiral, my provisional decision was that I didn't uphold this complaint. I didn't intend to direct Admiral Insurance (Gibraltar) Limited to do any more in response to this complaint.

Neither Mrs H nor Admiral has responded to the provisional decision. So I see no reason to change my view.

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 can understand why Mrs H thought that Admiral was scrapping the car. But it was Mrs H's responsibility to inform DVLA.

It's not uncommon for an insurer to treat a damaged car as a "total loss" but to sell it through a salvage agent.

By an email dated 25 January 2022, Admiral told Mrs H the following:

"It is your responsibility to notify the DVLA that you are no longer the registered keeper of the vehicle. Failure to notify them of this could lead to a fine of up to £1,000.

...

To transfer the ownership of your vehicle online, follow the below procedure, if you have any questions please call the DVLA on: 0300 790 6802 Visit the DVLA website

at the following: <https://www.gov.uk/sold-bought-vehicle> You will then be asked for the Trader name and postcode. You must provide the address which is shown below...

Admiral's letter dated 25 January 2022 included a "frequently asked question" and answer as follows:

*"Do I need to let the DVLA know my vehicle has been written off?
The DVLA procedures stipulate they must be informed if your vehicle has been deemed uneconomical to repair. You can do this by filling in your V5c logbook with the salvage company details (we will provide these to you). Only the registered keeper signature is required. The Motor Trader signature should be left blank..."*

By a letter dated 28 January 2022, Admiral told Mrs H the following:

*"As we have agreed settlement of your claim we have arranged for your vehicle to be disposed of by the salvage company. Please forward the V5C Registration Certificate (also known as the Logbook) to the DVLA giving the Salvage Agents' details as follows: ...
Only the registered keeper will need to sign the V5, the motor trader signature can remain blank. Alternatively, you can do this online by visiting <https://www.gov.uk/written-off-vehicle>"*

From those communications, I'm satisfied that Admiral did enough to tell Mrs H what she should do.

I consider that if Mrs H had notified DVLA in late January 2022, then DVLA would've removed her as the registered keeper and the local authority wouldn't have contacted her later that year.

So – unlike the investigator – I don't consider that Admiral did anything wrong in selling the car without notifying DVLA. And I don't hold Admiral responsible for the inconvenience and distress caused by the penalty charge notices including the visit from the bailiff.

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 Mrs H to accept or reject my decision before 9 March 2024.

Christopher Gilbert

Ombudsman