

The complaint

Mr B complains that Admiral Insurance (Gibraltar) Limited (Admiral) settled a motor accident claim without having sight of the police report. He is also unhappy that Admiral has not reimbursed his policy excess.

What happened

The details of this complaint are well known to both parties, so I won't repeat them in detail here.

To briefly summarise, Mr B took out a motor insurance policy underwritten by Admiral. In September 2021, Mr B reported a motor accident claim to Admiral following an incident he was involved in.

In March 2023, Admiral settled the claim on a without prejudice basis, with no admission of liability.

Mr B complained to Admiral because there was a police report about the incident, which Mr B says would have supported his claim. However, Admiral delayed requesting the report, and ultimately, settled the claim without having sight of it. Mr B is also unhappy that Admiral didn't recover his policy excess, and he said his premium had increased as a result of the claim.

Admiral investigated Mr B's complaint. It said that it applied for the report around six weeks after the claim was made but accepted that it could have requested it sooner. It also explained there was a delay in receiving the report and so the claim was settled without it. Admiral said that it should have waited for the police report before settling the claim. However, having reviewed the report, Admiral maintained that it would have reached the same outcome even if it had seen it.

Admiral also found that it didn't call Mr B back when it said it would. Therefore, in light of this, and its failure to wait for the police report, Admiral offered to pay Mr B £100 compensation. It also allowed Mr B to retain his No Claims Bonus as a gesture of goodwill. Admiral didn't however reimburse Mr B's policy excess, and it explained that Mr B's premium hadn't increased as a result of the claim.

Mr B remained unhappy with Admiral's response. He complained that Admiral didn't recover his policy excess and also said that he has paid a higher premium as a result of the claim. He therefore brought his complaint to the Financial Ombudsman Service.

Our Investigator didn't recommend that this complaint should be upheld. She was satisfied that Admiral acted fairly and reasonably when settling the claim in question. She also thought that Admiral's offer of £100 compensation for not keeping Mr B updated and not requesting the police report sooner was fair. She didn't think Admiral needed to do anything more to resolve this matter. Mr B didn't agree with the Investigator and asked for an ombudsman's decision.

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.

My role requires me to say how a complaint should be settled quickly and with minimal formality and so I'll focus on what I consider to be the crux of the complaint and the main areas of dispute. The key disputes here relate to Admiral's failure to obtain a police report prior to settling liability for Mr B's claim, the premium increase, and the non-refund of Mr B's policy excess.

Both parties have provided detailed submissions to support their position. I want to assure them that I've read and carefully considered everything they've said, but I won't comment on it all.

The relevant rules and industry guidance say that Admiral has a responsibility to handle claims promptly and fairly and it shouldn't reject a claim unreasonably.

In Mr B's complaint letter to the Financial Ombudsman Service, he said that he didn't think he was at fault for the accident. Whilst Mr B clearly disagreed with Admiral's suggestion to settle the claim on a 50/50 liability, and then ultimately settling on a without prejudice basis, he also disputes that Admiral settled the claim without obtaining a police report. He is also unhappy that Admiral hasn't refunded his policy excess or the increase in premium caused by the claim.

The Investigator has already explained that it isn't our role to decide who was responsible for causing the accident. This is the role of the courts. Instead, our role in complaints of this nature is simply to investigate how the insurer made the decision to settle the claim. Did it act fairly and reasonably and in line with the terms and conditions of the policy?

In the terms and conditions of Mr B's policy, Admiral's ability to determine liability is included under the heading Claims Procedure. Here it says, in summary, Admiral has full discretion to take over and deal with the defence or settlement of any claim that arises.

So, Admiral is entitled, under the terms and conditions of its policy with Mr B, to take over, defend, or settle a claim as it sees fit. And this means Admiral can settle the claim as it feels is appropriate irrespective of what Mr B said and whether he agreed with the outcome or not. This is a common term in motor insurance policies, and I don't find it unusual. And I think it's a reasonable term, as ultimately Admiral will have to pay any settlement, so it should be able to decide how to settle.

This having been said, I would still expect Admiral to act reasonably when relying on this term and properly consider the matter before proposing a settlement.

I have seen from the claim notes provided by Admiral that it initially proposed to settle liability on a 50/50 split. However, the third-party was saying it should be 70/30. Eventually the claim was settled on a without prejudice basis and Mr B was allowed to retain his No Claims Bonus.

The evidence that Admiral had to consider was Mr B's version of events and the dash cam footage he provided. I can see that Admiral reviewed this footage and concluded this wasn't a claim it could defend, as it was Mr B who was moving into a lane that the third-party was driving in. I've also reviewed the footage and I can understand Mr B's frustration at the situation, particularly taking into account his comments about a vehicle giving him space to pull out along with the position of the third-party vehicle before the accident. However,

without anything else to show that only the third party was at fault, I'm satisfied Admiral acted reasonably and in line with the policy terms when saying this isn't a claim it could defend based on the evidence it had and settling on a without prejudice basis. Mr B's No Claims Bonus also remained unaffected. I'm therefore not going to tell Admiral to do anything else.

Mr B says Admiral delayed requesting the police report. He is unhappy the claim was settled without it.

It's not in dispute that Admiral settled the claim without seeing the police report. However, having now had sight of the report, Admiral says that it wouldn't have changed the outcome of how liability was settled. It did however accept that it could've requested the report sooner and offered Mr B £100 compensation for its poor claim handling.

I think it would have been reasonable for Admiral to have had sight of the report before settling liability, as it could have provided additional clarity on the circumstances of the incident. However, in this case, the absence of the report hasn't impacted the outcome, as the available evidence was sufficient to reach a fair decision on liability. I therefore consider Admiral's offer of compensation to be reasonable.

Mr B also complained that Admiral hasn't recovered his policy excess.

An excess is the amount a policyholder must pay in the event of any claim, regardless of who is to blame for the accident. I'm satisfied there was a claim against Mr B's policy and the damage to his vehicle was repaired.

Mr B says Admiral should recover his excess for him. I don't agree that this responsibility lies with Admiral. I say this because, the excess is an uninsured loss and there's no requirement for Admiral to recover this amount under Mr B's insurance policy. If Mr B wishes to reclaim his policy excess from the third-party, he would need to pursue it himself, or through his motor legal expenses cover, which is separate to this motor insurance policy.

I note that as a gesture of goodwill, Admiral attempted to recover Mr B's excess along with its outlay, but this wasn't accepted by the third-party insurer. Admiral wasn't required to do this, and I'm satisfied that it doesn't need to do anything more in relation to this matter.

Mr B also complained that he has paid an increased premium at renewal due to the claim against his name. Admiral has said that the claim hasn't impacted Mr B's renewal premium as it was settled on a without prejudice basis, and also Mr B was allowed to keep his No Claims Bonus as a gesture of goodwill. I've also not seen any evidence that the claim has impacted Mr B's premium.

Mr B told our Investigator that his premium increased while the claim remained open against his name and would like reimbursement of any increase over the last two years. I can't see that this particular complaint point has been made to Admiral and so I can't make a finding on it. If Mr B wishes to complain about his premium while Admiral was handling the claim, he would need to raise it directly with Admiral in the first instance. If he remains unhappy with Admiral's response, he can make a separate complaint about it.

Mr B also told our Investigator he was unhappy with the courtesy vehicle provided by Admiral. I haven't seen that this complaint has been made to Admiral either. Again, if Mr B wishes to complain about this, he would need to raise it with Admiral first.

Overall, I don't consider that Admiral treated Mr B unfairly. I understand that this must've been a very worrying and stressful time for Mr B, but I'm satisfied that the £100

compensation offered by Admiral for the poor claim handling is fair and reasonable.

Admiral should pay Mr B the £100 if it hasn't already done so.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 May 2025.

Ankita Patel
Ombudsman