

## **The complaint**

Mr W complains about the service he had and the increase in premium charged by Admiral Insurance (Gibraltar) Limited ("Admiral") following a non-fault claim on his car insurance policy.

## **What happened**

Mr W had a car insurance policy with Admiral.

In August 2023 a third party collided with his car while it was parked. He contacted Admiral and made a claim.

When he reported the claim, he said he was told that because it was a non-fault accident, he wouldn't be affected.

Later on, Mr W re-contacted Admiral to check whether the claim had affected his renewal price. The claims handler initially told him it wouldn't, but then corrected this and told him that the claim would be one of its rating factors it used to generate his renewal premium. This conflicting information caused Mr W some confusion.

He complained to Admiral about the conflicting information he'd been given. He was unhappy about the increase in his renewal price, and that he'd spent a long time on the phone to Admiral about his complaint and wasn't happy with how he'd been treated. He also said he wasn't happy about the claim being recorded on his policy and external databases.

Admiral said it agreed Mr W had spent too long on the call with its complaints handler and it realised he'd been caused distress and inconvenience due to some of its service. It paid him £100. But it also said it had correctly updated external databases about the claim and it had correctly priced his renewal.

Mr W remained unhappy and brought his complaint to this service. Our investigator looked into it and thought it would be upheld. He thought Admiral should have been clearer about the potential impact on Mr W's policy when it'd originally made the claim. He said Admiral should pay Mr W an additional £100.

Admiral didn't agree with the view. It said it wasn't appropriate for its initial claims handler to talk about the potential impact on Mr W's renewal price when the claims handler wouldn't be able to give any further information. It said it wanted to make sure customers were being open and give full information to it when they made a claim. It didn't believe its claims handler had made an error. It also said Mr W's premium would have changed because he'd had points added to his driving licence that were taken into account at renewal. Because Admiral didn't agree, this complaint has been passed to me to make a decision.

I issued a provisional decision asking the parties to consider the matter further:

*I'm thinking of not upholding Mr W's complaint as I think Admiral's existing offer is sufficient. I appreciate this will be a disappointment to Mr W and I'll explain why I'm proposing to reach*

*this decision.*

*I've looked at the various parts of Mr W's complaint and will deal with them separately for ease:*

### **Recording of the incident**

*Mr W told Admiral about the incident but claimed via an accident management company directly from the third-party insurer. What this means is that Mr W's policy on Admiral's system needs to hold a record of the incident, and that it's recorded as 'non-fault' because costs were entirely paid by the third party.*

*Admiral, like other insurers, shares details of incidents like these to external databases used by many insurers for various purposes.*

*The recording of the incident is fair and reasonable and I'm not going to ask Admiral to change or remove the details from either its own or the external databases it's updated.*

### **Renewal price**

*It seems to me at the centre of this complaint is the price rise on Mr W's policy at renewal. Mr W has said he was told there'd be "no impact" on his policy from reporting the incident and subsequent claim.*

*I've listened to the initial conversations between Mr W and Admiral's claims handler where he's talked through the claims information he's submitted online.*

*In the first of those calls I can hear the claims handler saying "...there'll be no impact on that" but he's talking about Mr W's protected No Claims Discount (NCD) when he says those words.*

*And in the second of those calls the same handler says, "as you're not liable [for the incident]... there'll be no impact or effect on the no claims bonus for the policy...". He repeats this later on.*

*It seems to me that there's been a misunderstanding here. Mr W's NCD was, as Admiral said, unaffected by the claim recorded on his policy. What this means is that the discount amount applied by Admiral to Mr W's base premium was unchanged and unaffected. By 'base premium' I mean the amount Admiral would charge Mr W before it applies his NCD.*

*But, importantly, the base premium itself was changed by the claim being recorded. I can also see Mr W had points applied to his licence before policy renewal and it's likely these affected his base premium too.*

*It's important I say that during the calls Mr W was being provided with an extensive amount of information, delivered relatively quickly, by Admiral's claims handler. Part of what Mr W has taken away from those conversations is the matter of "no impact" which he's thought applied to his premium, but in fact related to his NCD.*

*Having listened to the calls, I think this is sufficiently clear and repeated. I also think it's fair I say Mr W could have asked for clarification from Admiral if he specifically wanted to enquire about the likely impact on his renewal premium.*

*I've also looked at how Admiral rate Mr W's premium. I'm not able to share this here as it's confidential, but I can see that the premium offered to Mr W at renewal was in line with*

*Admiral's calculation.*

*It follows that I think Admiral's premium offer at renewal was correctly calculated. I also don't think Admiral gave Mr W incorrect information about his premium at renewal as this simply wasn't discussed.*

### **Service**

*I can see from the file that Mr W was particularly unhappy with calls made to complain about his renewal premium and the information he'd been given by Admiral. One call in particular was longer than an hour. I can see from Admiral's notes that it says the call should have been handled better and it's provided feedback to the call handler.*

*It's my understanding that Mr W was also told that the claim wouldn't have affected his renewal price, but this was corrected during the same phonecall. I can appreciate this error would have caused some distress for Mr W, as it would have seemed to confirm his misunderstanding of the earlier calls, but as it was quickly corrected I think it's fair I say this distress was only temporary.*

*But the remainder of that call seems to have deteriorated and its overall length and the comments from Admiral about what went on in it mean that I agree Mr W was distressed and inconvenienced. Admiral sent Mr W a cheque for £100 for his distress and inconvenience. I've compared this with this service's guidelines and I think its compensation is fair.*

*Mr W has mentioned recovering the additional premium he's paid from the third party who caused the collision and he should seek legal advice if he wishes to pursue this.*

### **Responses to my provisional decision**

Neither party responded to my provisional 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.

As neither party responded to my provisional decision, my final decision and reasoning remain the same as in my provisional decision.

### **My final decision**

It's my final decision that I don't uphold this complaint..

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 7 June 2024.

Richard Sowden  
**Ombudsman**