

The complaint

Mr C complains about how Admiral Insurance (Gibraltar) Limited handled a claim made on his motor insurance policy.

What happened

Mr C's car was damaged by another driver in a car park. The other driver's insurer accepted liability and Mr C made a claim to Admiral for repairs. But he was unhappy that he wasn't provided with a courtesy car and incurred taxi expenses. He was unhappy that his premiums were affected by the non-fault claim. He was unhappy with Admiral's use of the term "losses" to describe his expenses and other aspects of its communication with him.

Mr C was also unhappy that the actual cost of his repairs was less than the amount the other insurer reimbursed Admiral. Mr C wants Admiral to recompense him for the cost of his increased premiums and his inconvenience.

Admiral agreed there had been service failings. It paid Mr C £300 compensation for issues including its communication with him and reimbursed £360 taxi expenses with interest. It wouldn't discuss the repair costs as this was commercially sensitive. And it said the premium increase was an uninsured loss that Mr C should try and recover using his legal protection insurance. But Mr C remained unhappy.

Our Investigator didn't recommend that the complaint should be upheld. He thought Admiral had agreed that its service could have been better. But he thought its compensation payment and reimbursement of the taxi expenses was sufficient. He thought Admiral had provided evidence to show that the final repair cost was accurate. And he thought Admiral had reasonably directed Mr C to his motor legal protection insurance to recover his uninsured losses.

Mr C replied that there had been further issues following Admiral's responses to his complaints. He still thought Admiral should reimburse his additional premium costs due to the claim. And he thought Admiral had inflated its costs when it recovered these from the other insurer.

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 that making a claim on his policy has been a frustrating and stressful experience for Mr C. And I can see that he was frustrated when Admiral was less clear in its communication with him than he wanted. I can understand that he would want to be clear about what to expect from Admiral.

Mr C said there had been further concerns after Admiral issued its responses to his complaints. But I can't consider those here as Mr C would first have to raise these with Admiral so that it has a chance to respond.

Mr C chose to have his claim dealt with by Admiral rather than by the other driver's insurer. From what I can understand, Mr C thought this meant that he had instructed Admiral and he thought it should meet his needs in how it dealt with the claim and in its communication with

him. I agree that Admiral has an obligation to provide clear and not misleading information to Mr C, and I would expect it to provide a good standard of customer service.

But Admiral is entitled under the terms and conditions of its policy with Mr C (see General Conditions, section 2) to take over, defend, or settle a claim as it sees fit. Mr C has to follow its advice in connection with the settlement of his claim, whether he agrees with the outcome or not. This is a common term in motor insurance policies, and I do not find it unusual.

Admiral offered, in the absence of a courtesy car, to reimburse Mr C's taxi fares for a return trip to the airport as he had a holiday booked. I can see that Mr C felt frustrated when he thought Admiral hadn't confirmed this precisely before he incurred the costs. But Admiral did agree to reimburse him, and I can see that it paid his costs with interest for a period when it delayed payment.

Mr C was surprised that Admiral wanted to see proof that he had paid these costs. But I think it was reasonable for Admiral to ask for evidence to prove that he had incurred the expenses.

Mr C was unhappy with other aspects of Admiral's communication with him. I won't go into detail here. But I can see that Admiral agreed that its communication with him was at times lacking. And it paid Mr C £300 compensation for this. I think that was fair and reasonable as it's in keeping with our published guidance where errors have recurred over some months. So I don't require Admiral to increase this.

Mr C was unhappy with some of Admiral's standard communication processes. But the processes that a business chooses to use in communicating with consumers are its commercial decision. And I can't see that Admiral has treated Mr C differently to any of its other customers. And so, this isn't something that I would normally interfere with as it is a legitimate exercise of its commercial judgement.

Mr C was unhappy that his premium increased due to the non-fault claim on his record. While some insurers will only rate on "fault" claims, others will consider any claim – or even just a claim notification – as a "risk factor". This is because insurers say that drivers who have been involved in incidents, regardless of fault, are more likely to be involved in future claims.

I can understand that Mr C may find this to be illogical. But being involved in an incident could be linked to such things as his use of higher risk roads or junctions or driving at particular times.

Mr C thought Admiral should pay him the cost of the increase in his premium over the next five years. But, as I've said above, non-fault claims can lead to an increase in premium. And it was another insurer, not Admiral, which charged Mr C an additional premium because of the non-fault claim. And I can't consider that here as it's a separate business to Admiral.

Admiral suggested that Mr C should try and recover this expense as "an uninsured loss" through his legal protection cover. Insurance policies don't cover every expense a consumer may experience. And these are termed uninsured losses. This is an industry wide definition, and I can't say that Admiral was wrong to use it. I think Admiral may have been optimistic in suggesting that Mr C try and recover this expense using his legal protection cover. But this is something for Mr C to discuss with his legal protection insurer.

Mr C thought Admiral had exaggerated his repair costs and asked the other insurer to reimburse a higher outlay than it had actually incurred. I can see that Mr C has also raised this with the other insurer. Mr C relied on a "Customer Estimate" provided by the repairer and a verbal assurance from the repairer that this was the amount it had charged Admiral.

Admiral declined to discuss with Mr C the amount it sought from the other insurer to cover its outlay, though it did provide the total cost for the repairs. And, again, I think its arrangements with its repair network are a legitimate exercise of its commercial judgement and not something I'm able to comment on. But Admiral has provided us with a detailed invoice stating the amount it asked the other insurer to reimburse. And I can't say this is incorrect. So I can't say that Admiral needed to justify its invoice to Mr C.

My final decision

For the reasons given above, 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 C to accept or reject my decision before 5 December 2024.

Phillip Berechree
Ombudsman