

The complaint

Mr C complains about delays by Admiral Insurance (Gibraltar) Limited in resolving liability after a motor accident for which he was not to blame.

What happened

Mr C made a claim against his insurance policy after a motor accident for which he felt that the other party was entirely to blame. Mr C had a claim for injury and the excess payable under his policy which he could claim from the other party's insurer if it was established that the other party was responsible for the accident. Mr C provided video evidence to Admiral which they accepted as confirming his view that the other party was at fault. Several weeks passed before Admiral shared the evidence with the other insurer. The other insurer did not accept liability, as had been hoped for, and Admiral needed to pursue it for several months and finally issue proceedings to establish liability when no responses were received.

Some months after Mr C had provided the video evidence his insurance policy came up for renewal. Because he still had an outstanding claim at that point, with unresolved liability, his no-claims-discount (NCD) was suspended, which meant that he didn't benefit from the appropriate discount when his policy premium was set.

Mr C complained to Admiral about the delays in resolving liability with the other side and the impact that it had on him, both in relation to having losses that he was still unable to pursue, and because he felt that he had paid more than he should have when his insurance renewed because of the temporary loss of his NCD. He was also upset and frustrated by what he saw as unfair delays in progressing the matter despite his own efforts.

Admiral agreed that there had been unnecessary delays in their handling. They acknowledged that Mr C had needed to chase them on several occasions and also that they had unreasonably delayed passing the video evidence to the other insurer. As a result they paid him £75 in compensation.

Mr C was unhappy with the outcome and brought his complaint to this service. Our investigator felt that the compensation was too low and that it should be raised to £150, to reflect the impact that the delays by Admiral had on Mr C. Admiral disagreed with that view. It referred to an earlier complaint from Mr C and that it had already paid him £200 for other delays in handling the claim. It felt that, together, it had already awarded him sufficient for the nature of the problems it had caused.

As Admiral did not agree with the investigator's view the matter has been passed to me to decide.

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 decision is to uphold the complaint in the terms suggested by the investigator. I believe that £150 is an appropriate amount of compensation in this case and I will explain my decision here.

Admiral have argued that the total amount they have paid to Mr C across both complaints is sufficient. But I have to assess the appropriate award for this complaint alone. In doing so I must consider the impact on Mr C at the appropriate time of any failing on the part of Admiral. In its final response letter to Mr C, Admiral accepted that it had made mistakes in its handling of the claim and, in agreeing with that admission, I must decide on what is the appropriate award.

It isn't possible to be sure whether quicker action by Admiral would have led to an earlier admission of liability by the third party insurer. But Admiral have accepted that they delayed and that Mr C was required to be more active and persistent in chasing up Admiral than he should have needed to be. The fact remains that Mr C was frustrated by the lack of progress and how it impacted his ability to claim his losses. This was compounded by then having to renew his insurance at a far higher cost than he would have, had liability been resolved. This added to his upset. Admiral had already accepted errors on its part in an earlier complaint but failed to then ensure that Mr C's claim progressed as it should have. I take the view that the award of £150, increased from £75, is a fair reflection of the trouble and upset caused to Mr C by the continued delays, having regard to them carrying over into impacting his renewal, as well as his ability to pursue his other losses.

I am aware that since the complaint was received the dispute between Admiral and the third party insurer has been resolved with the acceptance that the third party was responsible for the accident. As a result, Admiral have reinstated Mr C's no claims discount and should have reimbursed him for any overpayment of premiums while it was suspended.

Putting things right

Admiral have confirmed that they have already paid £75 in compensation so must pay the additional £75 to Mr C. I make no other award in this case.

My final decision

I uphold the complaint against Admiral Insurance (Gibraltar) Limited and require it to pay an additional £75 in compensation, making a total of £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 March 2025.

John Withington
Ombudsman