

The complaint

Mr B complains Admiral Insurance (Gibraltar) Limited hasn't settled a claim against his motor insurance policy fairly.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them here. Instead, I will focus on the reasons for my 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.

Mr B had a motor insurance policy with Admiral. His car was stolen so he made a claim. Admiral accepted the claim and ultimately agreed to provide a brand-new car under the 'new vehicle replacement' part of the policy. The crux of Mr B's complaint is that he needed to pay a road fund licence fee (also known as road tax) of £1,650. He says, in brief, the policy documents don't say he will have to pay this, the road tax should have been part of the purchase price and if he'd known about it, he wouldn't have taken out the policy.

To use public roads legally road tax must be paid. Road tax is much higher in the first year. In this case, Mr B was provided with a new car, so first year road tax was payable. And as Mr B was to be the registered keeper, he was responsible for ensuring the car was appropriately taxed. Mr B says Admiral should have paid the tax, for various reasons, such as the policy documents don't say it won't, and road tax often forms part of the 'on the road' sale price. I'm not persuaded by these arguments. I'll explain why.

Admiral's liability – as set out in the policy documents – was to replace Mr B's stolen car with one of the same model and specification. It did this. It doesn't follow that because the policy documents don't say Admiral won't pay road tax, that it will. Nor do I find there's a reasonable expectation that it should as road tax is paid by car owners as part and parcel of the cost of driving. And while I recognise dealerships will often package a new car into an 'on the road' purchase price, that's not applicable here because Admiral sourced the car.

I sympathise with Mr B as he will have paid first year road tax on his stolen car, and then within 12 months paid it again on the replacement car. But I don't find that is the result of a failing on the part of Admiral. Instead, it was an uninsured loss caused by the thief. It follows I can't fairly and reasonably require Admiral to reimburse him. If Mr B hasn't already done so, he may want to enquire about a tax refund for his unused time on his first road tax payment with the Driver and Vehicle Licensing Agency.

Mr B says if he'd known he'd have to pay first year road tax, he would have sourced a policy elsewhere, and so the policy was mis-sold. I don't accept this argument. Mr B took out a standard policy and hasn't said he queried the new car replacement provision. No policy documents cover every eventuality, and even if this one did cover Admiral's position in circumstances such as these – which I'm not satisfied it needed to – I can't be certain Mr B

would have noticed it or deemed it to be of particular importance at policy inception.

My final decision

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 7 February 2025.

James Langford
Ombudsman