

The complaint

Mr B complains about how Admiral Insurance (Gibraltar) Limited handled a claim he made (then later withdrew) on his commercial motor insurance policy.

What happened

In October 2023 an object fell from a truck on a motorway, causing damage to Mr B's vehicle. He made a claim under his Admiral policy for repairs. Admiral accepted the claim and provided a courtesy car. The estimate of the damage was around £1,500. Mr B's excess was £1,150.

Mr B said the courtesy car was too small for his business needs and he was concerned about the impact on his work. He said the garage had told him it would do a private repair quicker than it would through his insurance, so he contacted Admiral to withdraw the claim for damage and said he'd pay for repairs himself.

Admiral closed the damage claim in November 2023, but said it would still pursue liability. In December 2023 Mr B said he intended to pursue the third party (TP) directly using his legal cover. Admiral said withdrawing the claim would mean his premium and no claims discount (NCD) wouldn't be affected. Mr B later complained about how Admiral had handled matters.

Admiral issued two complaint final response letters (FRLs). One in January 2024, another in May 2024. The January FRL responded to a complaint about the claim being settled as a 'fault one'. Admiral said this had been done as no recovery had been made from a TP. It said if Mr B wanted it to pursue liability on his behalf, the claim could be reopened.

The May FRL responded to further complaint points raised including that Admiral had never contacted the TP about liability and had lied that it had. Mr B also complained that his renewal premium and no claims discount (NCD) had been impacted by the claim, when he was told it wouldn't be.

Admiral said it had contacted the TP in November 2023, but didn't follow up when Mr B said he'd be pursuing the claim himself. It agreed it should have done more. It also accepted it had provided incorrect information in relation to how the claim would impact the NCD and his renewal premium. It said even after withdrawing it, the claim would still be recorded and would be factored in at renewal.

Across the two FRLs, Admiral offered a total of £360 compensation for the impact of its errors. It also applied a discount of just over £150 to Mr B's policy.

Unsatisfied with its response, Mr B brought his complaint to the Financial Ombudsman Service for an independent review. He said had Admiral contacted the TP within a reasonable time, it may have accepted liability and so he wouldn't have been impacted financially and damaged his driving record. He wanted the repair costs reimbursed.

Our Investigator was satisfied Admiral had recognised its mistakes and had made a fair offer to resolve the complaint. Mr B asked for an Ombudsman to consider matters, so the complaint has come 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.

Across the two FRLs, Admiral addressed over 15 complaint points. As this is an informal Service I'm not going to respond to every point made or piece of evidence referred to by the parties. Instead, I'll focus on the matters key to the outcome I've reached. But I'd like to reassure Mr B and Admiral that I've read and considered everything provided.

Liability issue

Mr B feels that, had Admiral pursued liability earlier, it might have been accepted by the TP, and so his no claims bonus and premium wouldn't have been impacted. He says he'd spoken to the director of the TP company, and he'd initially provided assurances the matter would be settled.

It took Admiral around three weeks to contact the TP insurer regarding liability, and it was only done when Mr B chased Admiral on the matter. It isn't clear why Admiral hadn't contacted the TP earlier; it accepts it should have been more proactive in its contact.

However, it's difficult to know what would have happened had Admiral been more proactive with the TP insurer. It's important to note Admiral would have been dealing with the insurer, and not the TP itself. Mr B feels it may have been more likely to settle, but his comments seem to be more in relation to the TP's willingness to settle, not the TP insurer. And whilst it's possible the TP insurer might have accepted liability had contact been made earlier, I don't think it's most likely based on what I've seen.

When Mr B registered the claim, he said he'd been dealing with the TP company directly, and it hadn't been forthcoming with information. He didn't have the vehicle registration of the TP as the incident had happened on a motorway, with the TP not stopping. Admiral advised it might be difficult to pursue recovery without that. And after Admiral did notify the TP insurer, it didn't receive a response by the time Mr B withdrew the liability claim in December 2023. I've no reason to think the TP insurer would have responded – and accepted liability – if Admiral had notified it of the claim in October, rather than the November.

In its January 2024 complaint response, Admiral said it would reopen the liability claim if Mr B still wanted to pursue it. I think that was a reasonable offer for Admiral to make at that time, but I can't see it was taken up by Mr B.

Renewal and no claims bonus

Admiral accepts that it gave Mr B incorrect information in relation to how the claim would impact his NCD and renewal premium. A claim, whether later withdrawn or not, will be recorded on the policy. And if a recovery of costs isn't secured, it will be registered as a 'fault' claim, which will impact a no claims discount.

Mr B says, as he paid for repairs himself and the increased premiums, he's out of pocket due to Admiral's mistake.

Where a mistake is made, this Service seeks to put Mr B back in the position he would have been in, had the mistake not been made. So I've considered what most likely would have happened, had Admiral been clear with Mr B that his NCD and renewal premium would still be impacted. Having done so, I'm not persuaded Mr B would've done anything differently had Admiral properly explained matters.

From the phone calls I've listened to at the start of November, Mr B's primary concern was having his van returned as quickly as possible. He was, understandably, concerned about the impact of his business, without use of his van. So he decided to carry out repairs himself, at his own cost, in order to have them done quicker.

I think it's likely he'd have still made that decision, had Admiral given the correct information. The repair estimate was around £1,500. Mr B's excess was £1,150. So at the time of the claim, he'd have still had to pay for most of the repairs himself, since the excess was

payable at the time of the claim (and would've been later reimbursed if the TP accepted liability). As such, I don't think Admiral's mistake means it should reimburse Mr B what he paid for his repairs.

In December 2023, Mr B told Admiral he'd pursue liability himself, using his legal cover, rather than have Admiral pursue it through the policy. I think it's possible, had Admiral clearly explained the impact on his premiums and NCD, that Mr B might not have chosen to close the claim. But I'm not satisfied, based on what I've seen, that Mr B has missed out as a result of that misinformation by Admiral. He made a claim on the policy, that was always going to be recorded and have some impact, if no recovery was made from a TP.

Admiral has shown how his renewal premium was calculated. As it is commercially sensitive information, I can't go into detail on how it was calculated. However, I'm satisfied, based on the data provided by Admiral, that it's shown the premium was calculated correctly, and that Mr B hasn't been treated any differently to other customers.

Claim handling and communication

It's clear Admiral hasn't handled matters as well as it should have done, and this caused Mr B unnecessary frustration. Its poor communication required a reasonable amount of effort to sort out, including numerous phone calls over a number of weeks. I consider £360 to be in line with awards that this Service makes for such distress and inconvenience. So, whilst I do accept Admiral handled matters poorly, I think it made a reasonable offer to recognise the impact of its mistakes.

It seems Admiral issued cheques for the compensation awards. I don't know if Mr B cashed those. If he didn't, then Admiral will need to reissue them.

My final decision

My final decision is that Admiral Insurance (Gibraltar) Limited has already made an offer to pay £360 to settle the complaint and I think this offer is fair in all the circumstances. So my decision is that Admiral should pay £360 compensation, if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 11 March 2025.

Michelle Henderson
Ombudsman