

The complaint

Ms E and Mr W complain about how Admiral Insurance (Gibraltar) Limited settled another driver's claim made on their motor insurance policy. Mr W is a named driver on Ms E's policy and represents her in this matter.

What happened

Mr W hit a parked car whilst reversing. He said they agreed to settle the matter privately and the other driver later provided an estimate of £370 for repairs done privately. But Mr W decided to make a claim to Admiral, and it settled it as a fault and paid the other driver's claim costs of over £5,000.

But Mr W thought this was excessive and would affect his and Ms E's future No Claims Discounts (NCDs) and premiums. He was also unhappy with Admiral's customer service. Admiral agreed it hadn't returned a call as promised and it paid Ms E £50 compensation for this.

Our Investigator didn't recommend that the complaint should be upheld. She thought that as the claim was a fault, this would affect the NCD and future premiums, regardless of the claim costs. She thought Admiral had reasonably reviewed the other insurer's repair and hire costs and settled them as it was entitled to do by the policy's terms and conditions. She thought its compensation for the customer service failing was fair and reasonable. So she thought it didn't need to do anything further.

Mr W replied that he wanted the other insurer's costs interrogated as he thought they were excessive for the amount of damage caused. He thought the length of time between the accident and the other driver stating her repair costs was suspicious. Mr W asked for an Ombudsman's review, so the complaint has come to me for a final 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.

I can understand that Ms E and Mr W feel frustrated that the claim costs for the other driver's repairs was so much more than they had expected. Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

As our Investigator has explained, Admiral is entitled under the terms and conditions of its policy with Ms E to take over, defend, or settle a claim as it sees fit. Ms E has to follow its advice in connection with the settlement of a claim, whether she agrees with the outcome or not. This is a common term in motor insurance policies, and I do not find it unusual. Insurers are entitled to take a commercial decision about whether it is reasonable to contest a third party claim or better to compromise.

Mr W told Admiral that he was at fault as he had hit the parked car and he claimed for his own repairs. When the other driver later said her repairs estimate was £370, Mr W decided that she should claim through their insurers. And he later found that her repair and hire costs were over £5,000.

Mr W said he wanted the costs interrogated, but that isn't our role. Our role is, as I've said above, to check that Admiral acted in line with the terms and conditions of the policy and fairly and reasonably. Admiral said its engineer had reviewed the costs and found them to be reasonable.

Mr W thought the five months between the accident and the claim looked suspicious as the other driver may have had other unrelated damage. But, as Admiral has explained, the other driver had three years in which to make a claim for repairs. Admiral wouldn't pay for repairs that it wasn't satisfied were claim-related. And I'm satisfied that Admiral is entitled to settle the claim as it sees fit. And so I'm satisfied Admiral acted reasonably when it paid the other driver's claim costs.

I can understand Mr W's concerns. But the fault claim rather than the amount paid on the claim is likely to affect his and Ms E's NCD and future premiums.

Admiral agreed that a manager hadn't returned Mr W's call. It paid £50 compensation for this. I think that's fair and reasonable, and in keeping with our published guidance, for a single error that hasn't caused any loss.

Mr W said Admiral's level of service was poor as he had to chase it for updates. But the updates were in regard to the other driver's claim costs. And Admiral explained that it didn't need Mr W's involvement to deal with these. So I can't say that it did anything wrong that warrants further compensation.

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 Ms E and Mr W to accept or reject my decision before 3 March 2025.

Phillip Berechree
Ombudsman