

The complaint

Mr B complains about the way in which Admiral Insurance (Gibraltar) Limited (“Admiral”) dealt with a claim on his car insurance policy.

What happened

Mr B held a car insurance policy underwritten by Admiral.

In April 2021 Mr B received a call from Admiral informing him that another one of its policyholders had reported they’d driven into Mr B’s parked car causing damage to it. Although a claim was opened on Mr B’s own policy – which I’ll call “Claim 1” - it was closed the same day and recorded as information only. Mr B’s losses instead were pursued through a claim against the third party’s policy – which I’ll call “Claim 2”.

Although Admiral had initially said it would deal with repairs to Mr B’s car under Claim 2, on further review it decided it wouldn’t saying that it didn’t think the damage to Mr B’s car was consistent with the incident. Mr B brought a previous complaint to us about how Admiral had investigated and reached this decision on Claim 2.

Another Ombudsman provided a decision on that complaint saying we couldn’t consider it. In August 2023 Mr B made another complaint to Admiral about the following issues:

1. Admiral wasn’t clear it was dealing with Mr B’s claim under the third party’s policy.
2. Admiral closed Claim 1 without honouring it.
3. Mr B couldn’t use his motor legal protection because Admiral insured both parties.

Our investigator said we could only look at part of what Mr B had complained about – specifically, only the parts relating to Claim 1, and not those relating to Claim 2. On the merits of the complaint, he said:

- Claim 1 was only open for about two hours, and he wasn’t persuaded it was mishandled. He didn’t think it was unfair of Admiral not to reopen Claim 1 after declining to assist Mr B further under Claim 2, since Mr B hadn’t asked it to reopen Claim 1.
- He listened to a call between Mr B and Admiral on 11 April 2021, and thought Admiral had been clear in explaining the claim would be dealt with on the third party’s policy. And he didn’t think it was unfair for Admiral to close Claim 1 after this as there was no need to keep it open.
- He thought Admiral had been clear in the policy terms that the motor legal protection cover couldn’t be used to pursue a claim against Admiral. And he didn’t think this was an unusual or unreasonable term. So he didn’t think Admiral had treated Mr B unfairly by preventing his using his motor legal protection cover.

- He acknowledged Mr B had raised several broader procedural points about insurance claims involving two parties insured by the same business. But he thought these points went beyond our Service's remit as an alternative dispute resolution provider.

Because Mr B didn't agree, the complaint was referred to me to decide. I issued a provisional decision not upholding the complaint, and I said:

"I'm aware Mr B has raised numerous points in relation to this complaint. While I've read and considered everything he has said, I'm only going to comment on what I consider to be key to determining a fair and reasonable outcome for the complaint. Our rules allow me to do this in line with our informal remit.

I'll also only be considering how Admiral has handled Claim 1 given that another Ombudsman has already decided that we couldn't consider Mr B's complaint about Claim 2.

When Admiral initially contacted Mr B to let him know about the incident it was acting in its capacity as his insurer. So I can consider if it treated Mr B fairly by offering him the option to claim on the third party's policy, and in how it presented this offer.

It isn't unusual for car insurers to offer services such as repairs or temporary replacement vehicles to a third party in situations where they've been told about an incident in which they believe their own insured to be at fault. Nor is this something insurers aren't allowed to do. And that's also the case for incidents where the insurer of both parties is the same. This is a common industry practice known as third party assistance or capture.

So I can't say Admiral acted unfairly by offering Mr B the option to claim on the third party's policy instead of his own. But Admiral needed to present this option in a way which was clear, fair, and not misleading so that Mr B could make an informed decision. And if it did not, the question then is whether this likely prejudiced Mr B's decision to claim under the third party's policy.

I've listened to the phone call between Mr B and Admiral where the option to claim on the third party's policy was offered.

Admiral said it could deal with the claim on the third party's policy, and in doing so Mr B wouldn't need to pay an excess and his no claims discount would be unaffected. But Admiral didn't offer Mr B any alternative to this even though other options were available to it such as allowing Mr B to claim on his own policy with his excess waived or his no claims discount allowed. Additionally, although Admiral asked Mr B if he wanted to claim on the third party's policy, he didn't answer this question. But Admiral went ahead anyway in dealing with this under the third party's policy. I think this call was handled poorly by Admiral and I'm not persuaded Admiral gave Mr B a real choice.

But on balance, I think had Admiral handled the call better, Mr B would likely have agreed anyway to claim on the third party's policy anyway instead of his own. He asked if his premium would be affected since his policy was due for renewal in the next couple of weeks. So I think Mr B was likely conscious of avoiding any impact to his own policy, which likely would have made it more attractive for him to claim against the third party policy so that he would have a notification only claim on his own policy.

Admiral declined to deal with the damage to Mr B's car under the third party's policy. But I wouldn't have expected Admiral to reopen or take any further action on Claim 1 unless Mr B had asked it to. And I haven't seen anything to show that he did. So I don't think it was unfair for Admiral not to simply automatically resume dealing with the claim Mr B's own policy as

Mr B has suggested it should have.

Similarly, with Mr B's motor legal protection cover, I haven't seen anything to show Mr B asked Admiral if he could use this benefit, or for what purpose he wanted to use it for. So given that it doesn't appear that Admiral has declined a claim Mr B had made on his motor legal protection cover, I can't say Admiral has acted unfairly. If Mr B wishes to make use of his motor legal protection cover, I can only suggest he contact Admiral directly to request that.

Lastly, I acknowledge points have been raised about Admiral's overall process for dealing with claims where it insures both parties.

We're not a regulator, we're an informal dispute resolution service. That means that I can consider whether Admiral has treated Mr B fairly and reasonably in all the circumstances of his complaint. But it's not for me to comment broadly on how Admiral runs its business or instruct it to change its internal processes.

Ultimately, while I do think Admiral should have given Mr B a more detailed informed choice about whether using his insurance policy or claim against the third party's insurance policy, I'm not persuaded he'd be in a different position had it done so."

Admiral provided no response. Mr B replied disagreeing with the provisional decision. In summary, he said:

- Admiral essentially made the decision for him to claim under the third party's policy. Admiral didn't have the right to do this, so it should rectify any financial damage caused as a result.
- If Admiral had given Mr B an informed choice on whether to claim on his own policy, or the third party's, he would have claimed on his own policy since his no claims discount wouldn't have been affected and the only detriment may have been a higher premium.
- Admiral didn't clearly communicate that he could claim on his own policy after it closed Claim 2.

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 has raised several points in response to the provisional decision. While I've considered and read everything he's said, I'll only comment on what I consider are the key points that I need to.

I don't dispute Admiral didn't give Mr B the opportunity to decide if he wanted to claim on his own policy or the third party's policy. But that doesn't necessarily mean the outcome would have been any different if it had.

If Mr B would likely still have decided to claim on the third party's policy even if he'd been given the opportunity to decide, he wouldn't have been prejudiced. So, it's not enough for me to just find that Admiral didn't clearly explain Mr B's options and allow him to make his own decision. I also need to be satisfied if Admiral had done that, Mr B would likely have decided to claim on his own policy instead and would have ended up in a different position.

I acknowledge Mr B says he would have claimed on his own policy instead. But I still think at the time Mr B was concerned about minimising any impact to the premium on his own policy due to his upcoming renewal. So, I think had he been better informed of his choices, the decision ultimately would have come down to having his car repaired by claiming on his own policy, which would carry the risk of his premium being affected, or having his car repaired by claiming on the third party's policy, which didn't carry that risk. So, I think Mr B likely would have chosen to claim on the third party's policy since it avoided the risk of any impact to his premium while still serving to rectify the damage to his car.

I acknowledge Mr B has made some comments and asked some questions about Claim 2. But I'm not going to comment any further here on the claim Mr B made on the third party's policy since this Service looked at that as a separate case.

Lastly, I've considered Mr B's comments that Admiral didn't communicate he could claim on his own policy after closing Claim 2. Although I think Admiral could have explained Mr B's choices more clearly on the call, I think it was clear enough during the call it was proceeding with the claim on the third party's policy rather than Mr B's own policy.

Once Admiral went ahead with dealing with the claim on the third party's policy, I would have expected it to close any claim on Mr B's own policy and not reopen it unless Mr B asked it to. I would not have expected Admiral to invite Mr B to make a claim on his own policy, nor do I think it was unfair for it not to do so. After Admiral decided it couldn't deal with Mr B's claim under the third party's policy, Mr B was entitled to submit a claim under his own policy. And, ultimately, as the policy holder, it was a matter for Mr B, rather than Admiral, as to whether he wished to make a claim on his own policy.

My final decision

My final decision is that I do not 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.

Daniel Tinkler
Ombudsman