

The complaint

Mr K complains that Admiral Insurance (Gibraltar) Limited placed a marker on his vehicle which showed it was an insurance 'write off'. He says this caused him a financial loss as he couldn't sell it.

What happened

Mr K held an insurance policy underwritten by Admiral. He contacted them in April 2024 to complain as he'd discovered his vehicle had been reported as 'scrapped'. Mr K said this was done in error by Admiral, as the vehicle had never been in an accident. He said he'd had to purchase a new V5 registration document as well as pay for HPI checks.

Admiral considered the complaint and upheld it. They said Mr K's vehicle had been uploaded to the Motor Insurance Anti-Fraud Theft Register ('MIAFTR') in error since April 2024. Admiral apologised and said they would remove the MIAFTR marker, and they awarded £150 compensation for any inconvenience and refunded his HPI costs of £154.

But Mr K said this wasn't the end of the issue. He said he'd tried to sell the vehicle in April 2024 but couldn't as the vehicle had been flagged as a Category B total loss – so his V5 document was revoked. And Admiral still hadn't removed the total loss marker from his vehicle on MIAFTR. He wrote to Admiral again in June 2024 and said Admiral should purchase the vehicle off him at the value of £12,000 - along with compensation for inconvenience and lost earnings. Mr K said this would allow Admiral to sort the mistake out in their own time without causing him any further inconvenience or stress. Admiral didn't respond to this offer, so Mr K brought the complaint to this Service.

An Investigator looked at what had happened and ultimately thought the complaint should be upheld. He said he couldn't be sure Admiral had removed the MIAFTR marker in April 2024, because Mr K had provided a HPI check from October 2024 that still showed the vehicle as being an insurance write-off. The Investigator also did their own checks and found that the MIAFTR record wasn't showing in November 2024.

So, he thought Mr K would have lost the opportunity to sell the vehicle between April 2024 and November 2024. And he thought the fairest way to conclude the complaint was for Admiral to pay the difference in the value of the vehicle between those dates, which was £1,180. He also thought Admiral should pay an additional £250 compensation, as well as refund any HPI costs Mr K had incurred, plus 8% simple interest on those costs.

Admiral didn't agree with the Investigator's recommendations. They said they had removed the MIAFTR marker in April 2024 and couldn't be held responsible for any companies who conduct HPI checks, how they carry out their searches or present the results. They said they had already paid compensation for the error in adding the vehicle to MIAFTR.

Mr K initially didn't agree but has since said he would accept the recommendation put forward.

I issued a provisional decision on this complaint, and I said the following:

“Admiral have confirmed they made a mistake and shouldn’t have added the MIAFTR marker to Mr K’s vehicle. This means I don’t need to make a finding on whether or not Admiral did something wrong. Instead, I need to think about what the impact was to Mr K and whether Admiral did enough to put things right.

Admiral said they removed the MIAFTR marker in April 2024 when Mr K raised it with them. And they paid £150 compensation as well as refunding the HPI costs Mr K incurred. But Mr K said they didn’t remove the marker as he had used HPI checks as late as October 2024 and his vehicle was still being reported as a total loss. The Investigator said they ran their own checks and said the total loss marker wasn’t showing in November 2024. They concluded that it was more likely than not Admiral hadn’t removed the marker in April 2024 and had actually done so later. Admiral didn’t agree; they said there was no evidence to say they hadn’t removed the marker in April 2024 and it wasn’t their fault if other HPI services are slow to update their records.

So, the issue for me to decide is when I think the marker was removed. To do this, I’ll need to consider the available evidence submitted by both sides. And where that evidence may be incomplete or contradictory, the rules of this Service require me to make my decision on the balance of probabilities. That is, what I think is more likely than not to have happened, given the evidence which is available and the wider circumstances of the complaint.

I’ve looked at the evidence both parties have provided. The issue Mr K has complained about appears to have been caused because of the private registration plate he had on his previous vehicle. That vehicle was written off and it looks like the plate was transferred to Mr K’s new vehicle. And this issue wasn’t flagged up until he removed the private plate in March 2024 in order to sell it.

I can see that the evidence Admiral provided shows no claims under the registration for the vehicle. But Mr K’s HPI check shows the record is against the private registration mark – so this may explain why there was a discrepancy. Additionally, I don’t think Mr K was likely to have kept contacting Admiral to ask them to remove the marker if they had done so successfully in May 2024. And I can see from Mr K’s evidence that the marker was still shown as late as October 2024. Finally, I can see that Admiral said they would run a new MIAFTR check in October 2024, as they noticed in their claim notes from May 2024 there appeared to be some issues recorded.

So, based on what I’ve said above, and looking at the available evidence, I find that it’s more likely than not that the MIAFTR marker wasn’t removed successfully in May 2024. And I think Mr K was impacted as a result.

What was the impact

Mr K explained that he wanted to sell his vehicle around the time he discovered the MIAFTR marker recorded against it. He says he was prevented from doing so as he needed to have a new V5 registration document issued and the marker also affected the value of the vehicle.

The Investigator considered this complaint point and concluded that Mr K’s ability to sell his vehicle had been prejudiced. And the Investigator said from looking at valuation guides in the motor industry, the value of the vehicle between April 2024 (when the marker should have been removed) until November 2024 (the date in

which the Investigator confirmed the marker wasn't being reported any longer) had reduced by £1,180. The Investigator thought that Admiral paying this loss in value was the fairest way of assessing the financial impact to Mr K.

I've thought about this situation very carefully. Mr K has provided evidence which he says supports that he had a buyer lined up for the vehicle at a cost of £12,000. He says this sale fell through due to the total loss marker. I've considered this but I can't conclude it is persuasive enough evidence for me to reasonably conclude that Admiral should pay Mr K for an unrealised loss. I'm not suggesting Mr K should have sold his vehicle at a loss and then claimed this back. But this Service doesn't usually award compensation for hypothetical situations, such as "what could have happened". I accept the evidence shows Mr K's vehicle was for sale and he may have gone on to sell it. But the loss is one he always would have experienced given the market for used cars going down in value in general. As he was intending on replacing his car with another, he always would have experienced a reduction in value.

Under DISP 3.6.1, my role is to determine a complaint by reference to what is, in my opinion, fair and reasonable in all the circumstances of the case. And having done so, I don't think Admiral needs to pay Mr K for an uncrystallised loss that always would have occurred.

However, I do think they caused him distress, inconvenience, and an overall loss of opportunity. So, I can also make a financial award in respect of this; and I'm satisfied that in this particular case, paying Mr K a sum of compensation is fair and reasonable in all the circumstances.

I can see Admiral have already made a compensation payment of £150 for distress and inconvenience and refunded around £154 of HPI costs. So, I need to think about whether that's enough compensation to reflect the impact on Mr K of Admiral's actions. I've weighed up Mr K's testimony, the available evidence, and the duration of the process. Overall, I think a compensation payment of £400 is fair in the circumstances and reflects the impact Admiral's actions had on Mr K. I'm satisfied this level of compensation produces a fair conclusion in this particular case."

I concluded that I was intending to uphold the complaint and direct Admiral to refund any reasonable and remaining HPI checks Mr K had paid for (subject to evidencing payment of these) and pay a total of £400 compensation for distress and inconvenience (an additional £250 to the £150 already paid).

I invited both parties to respond to my provisional findings. Mr K didn't reply by the deadline I set. Admiral did respond but said they maintained there wasn't any evidence or justification to uphold the complaint.

I'll now set out my final findings below.

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've reviewed Admiral's response, but as they haven't provided anything further for me to consider, I've reached the same conclusions as I did in my provisional decision. As such, my provisional findings are now those of this, my final decision.

Putting things right

To conclude, Admiral should:

- Refund any reasonable and remaining HPI checks Mr K has paid for, subject to him evidencing payment of these; and
- Pay a total of £400 compensation for distress and inconvenience (an additional £250 to the £150 already paid).

My final decision

For the reasons I've outlined, my final decision is that I uphold this complaint. I direct Admiral Insurance (Gibraltar) Limited to settle the complaint in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 24 April 2025.

Stephen Howard
Ombudsman