

The complaint

Ms F complains about delays in Admiral Insurance (Gibraltar) Limited (Admiral) dealing with a claim under her motor insurance policy for damage to her vehicle following a collision.

References to Admiral in this decision include their agents.

This decision covers Ms F's complaint to this Service in December 2024, following Admiral's final response to her complaint in July 2024. It doesn't cover subsequent events after Admiral's final response, other than as context for what happened in this case. It also doesn't cover the actions of Ms F's new insurer, following her cancelling her policy with Admiral when it came up for renewal.

What happened

In April 2024 Ms F's vehicle was stopped at a red traffic light when she was hit by an e-bike which had lost control, colliding with the front of her vehicle scratching the bonnet and leaving a dent. Ms F said the rider apologised and gave her their details. Ms F contacted Admiral the same day to tell them about the incident. Admiral recorded the incident as a claim, initially telling Ms F it was 'no fault'.

Ms F said she was told by Admiral she should have her vehicle repaired (for which she'd have to pay the policy excess) and then try to reclaim the cost from the third party. Ms F declined to do this as the accident wasn't her fault and the third party said they were willing to pay for the damage.

Ms F contacted Admiral several times over the following months to see what was happening but was told they were waiting for the third party insurer to respond to them. She cancelled her policy with Admiral in May 2024 when her renewal premium increased by some £700.

Unhappy at how Admiral had handled the incident, Ms F complained in May 2024, raising several issues. These included delays in the process, lack of communication from Admiral, the change to her NCD and the claim status. She was also unhappy at the handling of her complaint and the increase in her renewal premium (as she wasn't at fault for the accident).

Following her cancellation of her policy with Admiral, Ms F took out a new policy with another insurer. However, the new insurer subsequently told Ms F they'd found the incident was recorded as 'open or unresolved' on the Claims Underwriting Exchange (CUE). They also then charged her an additional premium of £418.23 when Ms F didn't provide proof of her NCD, removing the discount.

Admiral partly upheld the complaint. In their final response issued in July 2024, they noted Ms F had held off proceeding with repairs to her vehicle until there was an admission of liability from the third party, though Admiral had said this could take time because of the circumstances of the incident (collision with a cyclist). But Admiral accepted some delay in the process. They also accepted Ms F had to contact them several times to request updates and there were issues communicating updates to her. They'd also changed her NCD to 'prejudiced' and the claim to 'fault' without telling her. In recognition of these points, Admiral awarded £250 compensation for distress and inconvenience.

But Admiral didn't accept they hadn't communicated with Ms F about her complaint, or not met the standard eight-week timescale for a response. Nor had they acted unfairly in increasing her renewal premium, as the evidence showed that a claim increased risk, which would be reflected in the policy premium. And the policy general conditions required Ms F to notify Admiral of any incident, regardless of fault. On contact with the third-party insurer, Admiral said they hadn't received any confirmation of them accepting liability (but they had acknowledged receiving Ms F's photographs of the incident). On the claim being deemed a fault claim, Admiral said this was correct until such time as they received an admission of liability from the third party insurer (or the claim was closed as notification only).

Subsequent to their final response, in November 2024, Admiral told Ms F the third party had still not accepted liability and at this point, it didn't seem likely they would. Admiral asked Ms F whether she wanted to make a claim, or they would close their file.

Ms F then complained to this Service, in December 2024. She was unhappy at how Admiral had handled the incident, saying her vehicle hadn't been repaired despite the third party accepting the accident was their fault. Her policy premium with her new insurer had also increased by £418.23. She'd also lost her NCD after she cancelled her policy with Admiral, which was unfair given the circumstances of the accident. She said Admiral should have resolved the situation promptly and she had had no contact from them since July 2024. She wanted her NCD reinstated, the £418.23 increase in premium reimbursed by Admiral and a further £250 for the time and stress she'd suffered.

Our investigator initially upheld the complaint. She noted Admiral had contacted the third-party insurer several times between May 2024 and July 2024, but no evidence of contact after that date. The investigator didn't think this was fair and reasonable for Ms F, so she recommended Admiral process the claim and repairs to Ms F's vehicle, waive the policy excess (£700), change the claim record from 'fault' to 'non-fault', refund the additional premium Ms F had to pay her new insurer (with interest). She thought the £250 compensation offered by Admiral was fair and reasonable.

Admiral challenged the investigator's initial view. It was Ms F's decision to await admission of liability from the third-party insurer rather than make a claim for repairs to her vehicle. And the policy excess was an uninsured loss and not something that should be waived. Admiral said they couldn't process the claim and repair the vehicle if Ms F declined to do so, and her premium would have been affected regardless of fault, as it was Ms F's view she wasn't at fault (so it wouldn't be reasonable to change the claim record to non-fault). On the question of liability, the third-party insurer had not responded to Admiral, which is why they contacted Ms F in November 2024 asking whether she wanted to make a claim (she hadn't replied).

After considering Admiral's response, our investigator issued a second view not upholding the complaint. The evidence from Admiral showed they chased the third-party insurer several times, to which the responses were they either couldn't locate the incident, or the information sent by Admiral. They also said they wouldn't consider a claim or proceed (or accept liability) unless there was an estimate of the repair costs to Ms F's vehicle. Without Ms F making a claim (and paying the policy excess) Admiral wouldn't have any outlays they could seek to recover from the third-party insurer.

Ms F disagreed with the investigator's second view and asked that an ombudsman consider the complaint. She had provided Admiral with evidence from the third party admitting liability. And the evidence from the third-party insurer was that Admiral hadn't supplied the evidence and information they'd requested, up to July 2024. Nor had Admiral communicated with her until the email they sent in November 2024.

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.

My role here is to decide whether Admiral have acted fairly towards Ms F.

There are several issues in Ms F's complaint to this Service. The principal one being Admiral's overall handling of her case. This includes her vehicle not being repaired, despite the third party accepting liability for the accident. She's also concerned at the time taken by Admiral handling the case, saying she'd had no contact since July 2024. She's also unhappy at Admiral's recording of the claim and her losing her NCD. This has meant an increase in the premium charged by her new insurer.

For their part, Admiral accept shortcomings with delays in the process, Ms F having to contact them several times to request updates and issues communicating updates to her. They also changed her NCD to 'prejudiced' and the claim to 'fault' without telling her. In recognition of these, Admiral have awarded £250 compensation.

On the first issue, I can see Ms F contacted Admiral on the afternoon of the incident to tell them about it. This is required under the policy, regardless of the circumstances of an incident or whether a policyholder wants to make a claim (if there's a third party involved then they may make a claim against the policy). And any incident or accident is likely to affect an insurer's assessment of risk presented by a consumer, regardless of whether any claim is deemed 'fault' or 'non-fault' (or which party is to blame for an incident or accident – which is not the same thing as a claim being deemed 'fault' or 'non-fault').

When an incident is notified and there is damage to a policyholder's vehicle, then the onus is on them to make a claim for the damage under the policy. It isn't for the insurer to require the damage to be repaired. Where a claim is made for damage to be repaired, then the insurer will arrange for the repairs to be carried out, either through one of their approved repairers or, should the policyholder prefer to nominate their own repairer, they will review an estimate for the cost of repair before approving it. In either case, any relevant policy excess will be deductible (in this case it is £700). The excess is a contractual term under the policy and is payable regardless of whether a claim is deemed fault or non-fault. It is considered an uninsured loss, which may be recoverable from any third party involved in a claim (where they accept liability).

Looking at Admiral's claim notes, it appears they initially recorded the excess as payable, liability as 'non fault' and Ms F's NCD was allowed. The notes further record Ms F contacting Admiral the month after the incident to say the third party (the rider) had admitted liability. But Admiral told Ms F they needed an admission of liability from the third-party insurer to enable them to waive the excess payable (and subsequently seek to recover their outlays incurred in repairing Ms F's vehicle). The notes record Admiral saying Ms F should accept any offer from the third party (to repair her vehicle) as the recovery process (for Admiral) would be lengthy and should the third party arrange for the vehicle to be repaired, Admiral could close their file. It's also clear Ms F didn't want to proceed with repairs until there was an admission of liability from the third party.

I can also see Admiral corresponded with the third-party insurer and sent over evidence to support their case the third party was liable for the incident, but the third-party insurer (variously) said they couldn't locate the claim and didn't accept liability. And as Ms F didn't want to proceed with repairs to her vehicle until liability had been accepted, then Admiral had no outlays they could seek to present to the third-party insurer for recovery, using solicitors

to pursue the case (including any excess Ms F had paid). But in the absence of outlays, Admiral would only be able to chase the third-party insurer.

Admiral's notes also include reference to their telling Ms F (in July 2024) that if they didn't receive a response from the third-party or an admission of liability then Ms F would either have to make a claim or Admiral would close down the claim (which is what they put to Ms F in their email in November 2024).

Admiral have also provided evidence of their chasing the third-party insurer through to July 2024 (though not after that date) ahead of their email to Ms F in November 2024.

Considering all these points together, I can't conclude Admiral's position was unfair or unreasonable, or that they treated Ms F any differently than they would any other policyholder in similar circumstances. Without any claim costs to pursue through solicitors with the third-party insurer (or admission of liability from the third-party insurer) then they would only be able to keep chasing them, before closing the claim.

This would also be potentially relevant to the issues Ms F raises about the increase in premium charged by her new insurer. It's important to note that this decision covers Ms F's complaint about Admiral and whether they've acted fairly towards Ms F. It doesn't cover the actions of her new insurer in charging an additional premium, which is a matter for them – not Admiral. But from what Ms F has provided, the new insurer contacted her about the entry on the CUE, which Admiral recorded as a claim being 'open and unresolved'. In the circumstances of the case, I don't think that was unreasonable, as insurers are required to update CUE with information on claims and their status. And in the circumstances of this case, I don't think it was unreasonable to record the claim in the way they did.

And the new insurer also said that Ms F couldn't provide evidence of her NCD, so they reduced her entitlement and charged the additional premium. Again, that's a matter for the new insurer and I don't think it was unreasonable for Admiral to deem Ms F's NCD as 'prejudiced' because of the open claim.

And while this isn't something for me to consider in this decision or I've seen in the evidence and information available, where there wasn't a claim from the third-party within a reasonable timescale and Ms F didn't make a claim, then I would expect Admiral to consider whether the claim should be closed as 'notification only' – rather than being recorded as 'open and unresolved, as it appears the claim was recorded on the CUE. In that scenario, Ms F could take this up with her current insurer and request they re-calculate her policy premium. That might also affect Ms F's NCD, but that would be a matter for Ms F to take up separately with Admiral and/or her current insurer.

On delays to the claim, communication with Ms F and updates, Admiral accept shortcomings and have awarded £250 compensation. Looking at the timeline of events and Admiral's claim notes, they show numerous calls with Ms F, long wait times, being kept on hold and being transferred between departments. There are also gaps where little activity appears to have taken place and Ms F contacts Admiral for updates. And Ms F had to re-send images of the incident having already provided them.

I can understand Ms F's frustration at these issues, and they would have caused her distress and inconvenience. Having regard to the published guidance on the approach of this Service to awards for distress and inconvenience, then I think Admiral's award of compensation (up to the point of their final response in July 2024) is fair and reasonable in the circumstances of this case, so I won't be asking them to make a further award.

Taking all these into account, I can't conclude Admiral have acted unfairly or unreasonably, so I won't be asking them to take any further action on this complaint.

My final decision

For the reasons set out above, it's my final decision not to uphold Ms F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 9 April 2025.

Paul King
Ombudsman