

The complaint

Mr L complained about Admiral Insurance (Gibraltar) Limited. He isn't happy about the way it settled liability following a claim under his motor insurance policy.

What happened

Mr L was involved in an accident with another car. He was turning right from a junction while the other driver was proceeding to turn left from a junction opposite and they collided, and Mr L held the other driver responsible. But when Admiral investigated the circumstances surrounding the accident they didn't think they could fully defend Mr L. So, Mr L complained to Admiral about this.

Admiral explained that when it looked into the circumstances surrounding the claim it didn't think it could defend Mr L and that the claim would most likely be settled on a split liability basis (50/50) before suggesting that he could be held fully at fault. Mr L didn't proceed with the repair to his vehicle as he wanted liability finalised in his favour as he had provided dashcam footage that he felt supported his position. But Admiral didn't agree, maintaining that it couldn't fully defend Mr L as the footage suggested both parties held some responsibility and so there wasn't any prospect of defending Mr L if the matter went to court. As Mr L remained unhappy he complained to this Service.

Our Investigator looked into things for Mr L but didn't uphold his complaint. This was because he didn't think Admiral had acted unreasonably in deciding liability here.

As Mr L didn't agree the matter has been passed to me for review.

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 Mr L's frustration here as he was at the scene and believes the other driver was at fault for the accident. But, as our Investigator explained, Admiral looked at all the evidence and discussed the matter internally but didn't think it could fully defend Mr L and I don't think its conclusion was unreasonable. I'll explain why.

It isn't the role of this Service to decide liability, which is a matter for the courts. Although we do look to ensure insurers have acted in a fair and reasonable way. Under the policy terms, Admiral has the right to take over the settlement of the claim. This gives it the right to decide whether to take a third party to court or settle a claim. Legal proceedings are time-consuming, expensive and the outcome can be uncertain. As such, it will not always be commercially sensible to take legal action against a third party.

However, this Service's general approach is that insurers should act fairly and reasonably in deciding whether to settle or pursue a third party. We expect insurers to make a reasonable assessment, based on a clear understanding of the evidence and the circumstances surrounding the accident.

With this in mind I've carefully considered how Admiral has handled this claim. And I'm satisfied it carried out a reasonable investigation and took into consideration all of the available evidence. I say this as Admiral clearly looked into the circumstances surrounding the claim including the damage caused to both vehicles and, importantly, the dashcam footage in deciding whether it could look to defend Mr L, so I think it acted fairly here. And while this matter has been with me for consideration, I've looked at the CCTV footage and I can understand why Admiral has decided it couldn't fully defend Mr L.

I say this as both drivers were joining the same main road from different directions before colliding on a dual laned road. I can understand Mr L's position, he had driven through the boxed junction and was joining the main road and looking to take the outside lane while the other driver was looking to join from the opposite direction and the feels the other driver was fully at fault when they collided. However, it was clear that the other driver was joining the same road and I think Mr L could have proceeded with caution, slowed down and looked to take evasive action. And, as Admiral outlined the other driver was moving towards the road so they were both joining before Mr L started to move so he should have been mindful of the other driver just as they should have been mindful of him. So, I can understand why Admiral wouldn't want to proceed to court.

Given all of this, I consider it would be very difficult for Admiral to fully defend Mr L in court if it looked to dispute the claim. I say this as Admiral have a great deal of experience in looking at disputed liability cases like this and it felt that both sides were partly at fault for the accident. And so, I judge Admiral acted reasonably in looking to settle the claim on a split liability basis, and I do not require it to take any further action.

My final decision

It follows, for the reasons given above, that I don't uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 12 April 2025.

Colin Keegan
Ombudsman