

The complaint

Mr K and Mrs K complain that Admiral Insurance (Gibraltar) Limited (“Admiral”) mishandled a claim on a motor insurance policy.

What happened

Mr and Mrs K had a car that had first been registered in 2018.

He renewed a policy with Admiral to cover the car for the year from mid-January 2024. The policy covered Mr K as policyholder to drive the car. The policy also covered Mrs K as a named driver.

Unfortunately, they reported that in April 2024, Mrs K had reversed the car and damaged the nearside of a third party’s van (first registered in 2021).

Mr and Mrs K got an independent repairer’s estimate of about £1,000.00 to repair the van.

The third party or their insurer provided an estimate of about £4,000.00 to repair the van.

By early August 2024, Mr and Mrs K complained to Admiral that it had paid the third party too much to repair the van.

By a final response dated 12 August 2024, Admiral turned down the complaint.

Mr and Mrs K brought the complaint to us in early October 2024.

Our investigator didn’t recommend that the complaint should be upheld. She thought that it was reasonable for Admiral to rely on expert evidence.

Mr K asked for a copy of the repair invoice. Our investigator provided a summary of a report dated late May 2024, with the cost of about £7,000.00 to repair the van.

Mr and Mrs K disagreed with the investigator’s opinion. They asked for an ombudsman to review the complaint. Mr K says the following:

“Apologies for the delay in responding as unfortunately we’ve suffered a bereavement.

We originally queried the initial quote of ~£4000 as being excessive, and this invoice was for almost double that. Given that it appears that they have replaced rather than repaired the sliding door, then 25.7 hours labour and paint/materials of over £2000 (when the paint is £35/litre) would appear to support our assertion that the entire van has been repaired and resprayed.

Under the circumstances I would be grateful for the Ombudsman to review the complaint.

Can I confirm that I have serious concerns that excessive and inappropriate work has been billed for, which, I understand from taking specialist advice is easy to do using the audatex online form, and if that is the case then this would represent fraud"

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.

The policy schedule said that Mr K had 16 years no-claims bonus ("NCB") which was "protected".

Different insurers assess risk and set premiums in different ways at different times.

Generally, any accident (and particularly a fault claim) is likely to increase the premium from the next renewal date. Insurers sometimes place more weight on the existence of a claim and less weight on the amount paid out.

Admiral's terms included the following:

'General Conditions

...

Defending or settling a claim

We are entitled to:

conduct the investigation, defence and settlement of any claim on your behalf"

The effect of that term is that, on a question of how best to deal with a third party's claim, Admiral's view will prevail over its policyholder's view.

Nevertheless, I will consider whether Admiral applied that term fairly in Mr K's case.

I can understand Mr K's concern that Admiral settled the third party's claim for about £7,000.00 for repairs.

However, the independent repairer's estimate of about £1,000.00 is only one page and doesn't contain much detail. Admiral's in-house engineers considered that it was an unrealistic figure.

In relation to the third party's claim, Admiral's in-house engineers said that they see no evidence that repair costs have been over-inflated, or that any pre-accident damage was repaired.

I've noted Mr K's comments quoted above. However, he hasn't said that he has any expertise in the cost of repairs. And Mr K hasn't provided enough detailed evidence from a repairer.

I'm satisfied that it was reasonable for Admiral to rely on its in-house engineers. I don't conclude that Admiral treated Mr and Ms K unfairly by settling the third party's claim. I don't find it fair and reasonable to direct Admiral to try to change the way it has settled or recorded the third party's claim.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Admiral Insurance (Gibraltar) Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K and Mr K to accept or reject my decision before 29 May 2025.

Christopher Gilbert

Ombudsman