

## **The complaint**

Mrs S has complained about the way Admiral Insurance (Gibraltar) Limited intends to settle a claim under her car insurance policy.

Mrs S has made previous complaints to Admiral about the sale of the policy, and about its decision to cancel the policy and recover claim costs from the named driver. As these complaints were not brought to this service in time, I can only comment on them by way of background and they do not form part of my decision.

## **What happened**

In July 2023 a named driver (ND) under Mrs S's car insurance policy with Admiral was involved in a collision with a third party (TP) vehicle.

Mrs S reported the circumstances of the incident to Admiral. She said the TP vehicle had pulled out of a side road when it wasn't clear to do so. She said the ND had tried to swerve to avoid a collision, but wasn't able to prevent contact.

Admiral applied an exclusion under the policy where at the time of the incident the driver is found to be over the legal limit for drinking or drugs. This was based on information Mrs S provided about the ND when she reported the incident. She said the ND had been breathalysed at the scene and the reading showed to be over the drink driving limit.

In August 2023 Admiral said it would cancel Mrs S's policy. But it said the claim would be settled as a non-fault claim.

However, in October 2023 Admiral received a claim from the TP Insurer (TPI). The TPI said the ND under Mrs S's policy was fully at fault for the incident.

In January 2024 Admiral issued a No Claims Bonus confirmation letter to Mrs S. This listed the claim from July 2023 as a non-fault claim.

In April 2024 Admiral wrote to Mrs S to explain that it intended to settle the claim on a shared liability basis, so 50%50% fault. As it had cancelled cover under the policy for the claim, Admiral said it intended to look to recover the claim costs from Mrs S.

Mrs S made a series of complaints to Admiral. In May 2024 Admiral responded to Mrs S's complaint.

It agreed that it had failed to update Mrs S during the claims process. It accepted it told Mrs S in January 2024 the claim would be recorded as a non fault claim, but this had changed. Admiral couldn't find that agents had told Mrs S there was no reason for the claim to be settled on a 50%50% shared fault basis. Even if it had given incorrect information, Admiral said it wouldn't change the outcome. But it gave the benefit of the doubt in the absence of finding calls and upheld this complaint.

Admiral said its decision to settle the claim on a shared fault basis had been reached correctly. But it agreed it wasn't correct to pursue Mrs S for the claim costs following the cancellation the policy. Admiral said it would pursue the ND for these costs as he was involved in the incident.

For the distress and inconvenience caused by its lack of updates and incorrect information, Admiral paid Mrs S £200 compensation and £25 for phone calls she made to get updates.

In November 2024 Mrs S brought her complaint to us. One of our Investigators issued two views. In response to the first view, Admiral provided further information to show it had considered the decision as to how to settle the claim. Based on this, the Investigator didn't recommend the complaint should be upheld. Although he agreed Admiral had made errors, he thought it had done enough to resolve the complaint in the compensation it had paid and its response in May 2024.

Mrs S disagrees. In summary she says she disagrees with how Admiral reached its decision to settle the claim on a shared liability basis. She doesn't believe it properly investigated the claim.

So Mrs S wants an ombudsman to decide.

### **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.

We don't decide liability as that is the role of the courts. But we can look at whether an insurer has properly investigated a claim and reached its decision reasonably and in line with the policy. Admiral has a very common term I've found in most – if not all insurance policies. This term says Admiral can take over the defence and settlement of a claim in a policyholder's name. This means Admiral may make a decision Mrs S disagrees with, but the policy allows Admiral to do so.

Based on the information provided by Mrs S when the incident occurred, Admiral said the claim would be settled on a non fault basis. But in October 2023 it received a claim from the TPI and they said the ND was fully at fault for the incident.

Admiral has provided evidence of a review of the claim by its liability team. This shows Admiral considered that the ND had been over the legal limit for drink driving when the incident happened. And there were no independent witnesses or CCTV evidence to support either party's version of events. While it took into account that the TPV may have been over 'give way' lines at the time of the collision, it considered there was a risk the ND's account to a Judge would hold less credibility due to being over the legal limit at the scene of the incident.

So Admiral decided that the best outcome would be to look to settle on a shared 50%50% liability basis

I understand Mrs S doesn't agree with Admiral's decision here. But as I've said, I cannot look at complaints about Admiral's decision to cancel the policy by applying the driving and drugs exclusion, or the financial implications of this decision – as Mrs S didn't bring these complaints to us in time.

I'm satisfied that Admiral properly considered all of the information and its experience in settling claims when deciding how best to settle this claim.

There is a subtle but important distinction to make as I've explained: we cannot decide liability, but we can look at whether an insurer reached its decision reasonably. Admiral has shown that it properly considered the circumstances and information available when deciding how best to settle the claim. So I'm not asking Admiral to change anything here.

It isn't in dispute that Admiral failed to provide Mrs S with updates and I think it should have been in touch with the ND sooner than it has. However, I don't think the outcome as to how it settled the claim would have been any different, even if Admiral had contacted the ND sooner, because of the reasons why it decided to proceed as it did.

I think the letter Admiral sent in January 2024 confirming Mrs S's NCD was incorrect. It said the claim from July 2023 was a non-fault claim. But Admiral was aware in October 2023 that

it had received a claim from a third party, and so in line with industry practice, the claim was open and open claims are recorded as fault claims until settled.

It wasn't correct for Admiral to say it would pursue Mrs S for claim costs as a result of the claim not being covered under the policy. I can understand why this caused upset and shock for Mrs S as she wasn't the party involved in the incident.

Admiral paid a total compensation award of £225 for the distress and inconvenience it had caused and for phone calls Mrs S had to make for information on the claim. I think this sum is reasonable and within the range of awards we give in similar circumstances. So I think Admiral has done enough to resolve Mrs S's complaint.

### **My final decision**

I'm sorry to disappoint Mrs S. But for the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 9 June 2025.

Geraldine Newbold  
**Ombudsman**