

The complaint

Mr S has complained that Admiral Insurance (Gibraltar) Limited unreasonably held him at fault under his motor policy following an accident. This has also increased the cost of his premiums making it unaffordable to insure his car.

What happened

Mr S was involved in an accident with another driver, who fled the scene. His car was damaged and needed to be repaired so Mr S made a claim to Admiral. Unfortunately, the police could not find the driver of the other car and the car wasn't insured.

Because of this Admiral recorded the claim as a 'fault' claim on Mr S' insurance record, which upset Mr S substantially as the accident wasn't his fault and he had dashcam footage to prove it. However, as the other driver wasn't insured there was no other insurer from which Admiral could recoup the costs of the claim Mr S had made under his policy. Also, when Mr S looked on Admiral's portal, he saw that it had recorded two accidents on the same day as this one. When his policy was due to renew the premium price offered by Admiral and other insurers was too high as a result of this accident which meant Mr S couldn't afford to insure his car. So, he complained to Admiral.

Admiral sorted out Mr S' portal issues so that only this claim showed on his portal for this accident. It also waived payment of his excess through his legal cover on his policy as the other driver was uninsured. It also confirmed that its communications and service was poor over the portal information, so it paid him £100 compensation. Otherwise, it didn't think it had done anything wrong in calculating his renewal premium or recording the claim as 'fault' on Mr S' insurance record.

Mr S remained dissatisfied, so he brought his complaint to us. The investigator didn't think Admiral had done anything wrong. As Mr S didn't agree his complaint has been passed to me 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.

I can see how upset and frustrated Mr S is with what happened here. The accident doesn't appear to have been caused by anything he did, but rather what this other driver did. However, because that other car and driver wasn't insured, it's Mr S' insurance record which was affected as Admiral can't ask the other driver's insurer to refund the costs it paid for Mr S' claim.

However, recording a claim like this as a fault claim against Mr S is generally how it's done in this country. It actually doesn't mean Mr S caused this accident; it simply means his insurer Admiral wasn't able to recoup the costs it paid to repair Mr S' car damaged in the

accident. It is a rather archaic term, but it's not held against Mr S in the way he imagines. It does simply mean Admiral couldn't recoup the costs it had to pay for the claim he made on his policy. It would be the same if Mr S damaged his car by driving into a pothole for example or slid on some icy road into a lamp post. Neither of those would be Mr S' fault but nonetheless as his car was damaged his insurer would have to pay the costs of the repair and wouldn't have anyone to claim such costs back from, so those sorts of claims would also be recorded as fault claims on his insurance record.

So, on this basis I consider Admiral didn't do anything wrong on how it recorded Mr S' claim on his insurance record. It followed the general industry practice which is based on the regulations all motor insurers have to follow which as the investigator explained is set out by the Financial Conduct Authority (FCA).

I do however think Admiral could have ensured its portal reflected the situation accurately for Mr S. And I can see the fact that it didn't do this distressed him. So, I'm satisfied that Admiral should have apologised for this and indeed paid him compensation. Admiral did this and paid Mr S the sum of £100 compensation. I consider this to be reasonable and in line with our approach to compensation which is more fully detailed on our website.

Turning now to Mr S' issues with his increased premium. All claims can affect the premium price a motorist has to pay. However different insurers might rate such things differently from one another. Each insurer is entitled by the regulator to decide what risks it wants to cover and what risks it doesn't want to cover. This is part of their commercial discretion. So, for example some insurers won't insure young and/or inexperienced drivers or will only do so, if they fit a telematics device to their car to monitor their driving behaviour. Other insurers will only accept customers, whose premium comes out under a certain level.

However, each insurer must produce its own underwriting guide which rates all the risks and how they affect the premium price. This is commercially sensitive information as all motor insurers are competing for the same customers. And the aim of the guide is to ensure each policyholder in similar circumstances is treated the same, ensuring no one person is singled out and treated differently. Admiral has detailed how it dealt with Mr S' renewal premium price. I can't share that with Mr S, but I can see he wasn't singled out and treated differently to any other customer in similar circumstances. Therefore, I don't consider Admiral did anything wrong here.

In general, the actuarial statistics show that if a motorist has been involved in one accident regardless if it wasn't his fault, then the odds rise for that motorist having another accident. So, most insurers will increase the premium price for accidents and claims regardless of whose fault the claim was. This tends to be only relevant for a number of years usually five years, but each insurance application will explain the number of years. So, if the customer has had no further accidents in say for example five years, then the fact the accident occurred more than five years ago tends to have no effect on the premium price.

So, again given the industry practice and indeed the regulations imposed by the FCA, Admiral had to record Mr S' accident as showing it didn't recoup the cost of his claim so in that regard, I consider it did nothing wrong.

My final decision

Although I can certainly see how distressed Mr S is about the outcome, it's my final decision that as Admiral acted within the regulations it is required to do, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 8 May 2025.

Rona Doyle
Ombudsman