

The complaint

Mr C complains that Admiral Insurance (Gibraltar) Limited ('Admiral') incorrectly recorded on an external database the details of a claim on his motor insurance policy.

What happened

In August 2023, Mr C decided not to renew his car insurance policy with Admiral and instead took out a policy provided by a different insurer.

Shortly after taking this policy out, the new insurer wrote to Mr C on 21 August 2023 saying it had checked the Claims and Underwriting Exchange ('CUE') and found that Mr C had a record of an open or unresolved claim dated 13 July 2022, which didn't match the information Mr C had provided.

Mr C informed his new insurer this information was incorrect, as he didn't have an open claim. But because the information Mr C had provided didn't match the information on CUE, the new insurer decided to cancel the policy on 29 August 2023.

After the new policy was cancelled, Mr C went back to Admiral and took out a policy with it. He also complained that Admiral had incorrectly recorded information on CUE, causing the policy with his new insurer to be cancelled and causing him to pay a higher premium to take cover out again with Admiral.

Admiral provided a final response to the complaint in August 2024. It decided not to uphold the complaint saying it hadn't found any error it had made. It said it had reviewed its files and these showed Mr C had been involved in an accident on 13 July 2022 which was reported as a notification only non-fault claim which had always been recorded as a non-fault accident.

Our investigator didn't think Admiral had acted fairly. In summary, she said:

- After sending its final response, Admiral told Mr C in October 2024 the information on its system was correct, but it had checked CUE and found this showed a claim incorrectly recorded as having the no claims discount disallowed, which it had now manually updated to the correct information.
- It was Admiral's responsibility to ensure the information it held for Mr C was correct, and although evidence was requested from Admiral to show Mr C's claim was recorded correctly, this wasn't provided.
- The evidence Mr C provided from his new insurer showed the information on CUE was that the claim was open and unresolved, however, Admiral said the issue was it was showing as the no claims discount being disallowed. Admiral should have checked its systems extensively when Mr C contacted it in 2023 to report the problem and had it done so, this would have resolved the issue earlier.

- Mr C had logged a complaint with the Motor Insurers' Bureau ('MIB') about the information which was on CUE, but they informed him it was the insurers' responsibility to ensure the data held on CUE is accurate.

To put things right, the investigator said Admiral should pay Mr C £350 for the distress and inconvenience caused, pay Mr C the difference in premiums between what he would have paid for the annual premium for his cancelled premium and what he ended up paying to Admiral for the 2023 to 2024 policy year and add interest to this amount, and provide Mr C a letter confirming the information previously held on the CUE database was incorrect and has now been updated with the correct information.

Admiral didn't agree with the investigator's opinion. It said there was no evidence on its system to show it had ever made an error in how it had recorded Mr C's information, and the claim was recorded as non-fault since the first notification of loss.

Because Admiral didn't agree, the complaint was referred to me to decide. I issued a provisional decision upholding the complaint, and I said:

"I should start by saying I'll only be considering in this decision whether Admiral acted unfairly. I won't be making any findings about whether either the new insurer, or the MIB acted unfairly, since those are separate entities to Admiral.

Mr C has provided copies of emails from the new insurer which show it decided to cancel the policy because it believed there was a difference between the information Mr C had provided, and that recorded on CUE. Specifically, it said CUE showed an open/unresolved claim dated 13 July 2022. In emails dated 29 August 2023 the new insurer acknowledged the accident on CUE was non-fault, and it said Mr C should check with Admiral why the claim was still showing as open/unresolved.

Admiral hasn't commented or provided evidence showing the status of the claim as open or closed. It instead said in its final response the 13 July 2022 that Mr C was unhappy the claim was showing on CUE as a fault claim, but internally it had always had this claim recorded as non-fault. And in September 2024, it said CUE showed the claim as having the no claims discount disallowed – which was an error it had now manually updated on CUE.

However, it wasn't disputed whether the claim was recorded as fault or non-fault, the issue was the claim was showing as open. And Admiral hasn't provided anything showing the claim wasn't recorded on CUE as open.

CUE includes a section for insurers to record whether a claim is open or closed and within this it includes fields which an insurer can select various options to show why a claim is open or closed. For closed claims, these options include for example settled, notification only and claim withdrawn. For open claims, the available options are outstanding, or notification only.

On balance, I think it's likely that the 13 July 2022 claim was recorded on CUE in August 2023 as an open claim when it should have been showing as a closed notification only claim. I say this because Admiral said it was a non-fault claim which Mr C hadn't claimed on his own policy for.

So, to put that right, I think Admiral should check CUE and if this claim is still recorded as an open claim, it should update the record to show it as a closed notification only claim and should write to Mr C to confirm this has been done. It should also write to Mr C to confirm the status of this claim on CUE and to confirm if it has made an amendment.

I also think Mr C has been caused some distress and inconvenience from the record on CUE not being accurate at the time he took out his new policy. So, I think some compensation is warranted for that, and I think £150 would be a fair and reasonable amount for the impact.

But I'm not intending to require Admiral reimburse Mr C any difference in premium between what he paid to the insurer who cancelled his policy and what it cost for him to take out cover again with Admiral.

This is because this cost is ultimately the result of the other insurer cancelling Mr C's policy since it thought Mr C had misrepresented his claims history based on what was recorded on CUE. And I'm unable to say here whether the new insurer had a fair and reasonable grounds to cancel the policy for this reason. If Mr C thinks the policy may have been cancelled unfairly by other insurer, he'll first need to make a complaint directly to that insurer."

Admiral replied saying it had nothing further to add. Mr C replied disagreeing with the provisional decision, and in summary he said:

- Given the significant financial loss, stress, and difficulty he's had obtaining insurance, £150 isn't a fair and reasonable amount of compensation.
- The fairness of the cancellation by the other insurer isn't relevant as this cancellation directly resulted from Admiral not recording the correct details on CUE.
- Admiral should also confirm in writing that the previous record on CUE was incorrect.

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.

Having done so, I've reached the same conclusion as I did in my provisional decision and for the same reasons. I'll explain why.

I acknowledge Mr C's comments about the cancellation of his new policy being the result of the record on CUE. The new insurer explained in its email of 21 August 2023 that it was cancelling the policy due to a difference between the information recorded on CUE relating to the claim of July 2022, and the information Mr C had provided about this claim.

I appreciate why Mr C thinks this would have been avoided had the information on CUE been accurate. But I think the main reason the new policy was cancelled was due to the new insurer thinking Mr C hadn't taken reasonable care not to make a misrepresentation, rather than a direct continuation of what Admiral had recorded on CUE. I think that presents its own separate event, which I can't consider here since this policy was cancelled by a different business. So, I won't be requiring Admiral to reimburse Mr C the additional premium he had to pay to take out cover again following the cancellation.

If Mr C thinks the policy was cancelled unfairly by the new insurer, he'll first need to make a complaint directly to that insurer.

I also acknowledge Mr C's comments about the £150 award for the distress and inconvenience he suffered. I don't dispute Mr C has been caused some inconvenience in trying to have the record on CUE rectified, and that this could have been lessened had Admiral recognised at an earlier point the issue was the claim showing as open, rather than whether it was a fault or non-fault claim.

But, as I set out earlier, I'm not requiring Admiral to compensate Mr C for the decision by the new insurer to cancel his policy. The award here is in recognition of the inconvenience Mr C has experienced in trying to have the record on CUE amended. And I think for that £150 is a fair and reasonable amount in line with our award limits.

Lastly, if the July 2022 claim is still showing on CUE as an open claim, in addition to amending this to show as a closed notification only claim, and writing to Mr C to confirm it has done this, I think it's reasonable for Admiral to confirm in the letter to Mr C the claim was previously recorded on CUE in error as an open claim and to confirm the date from which the claim should have appeared as a closed notification only claim.

Putting things right

I require Admiral to take the following actions:

- Check the CUE database and if the claim from 13 July 2022 is still recorded as an open claim, amend the record to show the claim as a closed notification only claim. And write to Mr C to confirm the status of this claim on CUE and whether it has made any amendment to the record. If the claim is amended to a closed notification only claim, Admiral should include a comment in its letter to Mr C to state the date from which this claim should have appeared as a closed notification only claim.
- Pay Mr C £150 compensation for the distress and inconvenience caused by the incorrect record on CUE.

My final decision

My final decision is that I uphold this complaint and I require Admiral Insurance (Gibraltar) Limited to carry out the steps I've set out in the 'Putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 13 May 2025.

Daniel Tinkler
Ombudsman