

## **The complaint**

Ms A complains that Admiral Insurance (Gibraltar) Limited mishandled two claims on her motor insurance policy.

## **What happened**

The subject matter of the insurance was a car that had first been registered in 2012. Ms A acquired the car no later than January 2022, the date of its most recent V5 registration document.

According to its MOT history, the car passed a test in early October 2023 with a recorded mileage of about 86,000.

For the year from 9 December 2023, Ms A had the car insured on a comprehensive policy with Admiral. The policy schedule said that Ms A had ten years' no-claims bonus ("NCB") which was "protected". Any claim for damage (except a glass claim) was subject to an excess of £375.00.

Ms A reported to Admiral that on about 13 December 2023, a third party's car hit her car when two lanes merged into one. Ms A didn't make a claim for damage to her car.

On about 5 January 2024, the third party or their insurer made a claim to Admiral.

Ms A reported to Admiral that on about 27 February 2024, there was a second incident when a coach hit her car.

By about 13 March 2024, Admiral had decided that Ms A's car was a write-off in category N (non-structural damage).

On about 14 March 2024, Admiral accepted that Ms A was liable for the claim of the third party arising out of the first incident.

On about 19 March 2024, Ms A contacted Admiral about the second incident. She asked it to put her claim on hold.

Ms A complained to Admiral that it had deemed her car a total loss, that its salvage agent wanted to take her car away and that Admiral had said it would cancel the policy.

By a final response dated 21 March 2024, Admiral turned down that complaint.

On 27 March 2024, Admiral emailed Ms A with options to resolve her claim arising out of the second incident. She chose the option of withdrawing her claim.

Ms A complained to Admiral including that it hadn't give clear options and its salvage agent had contacted her about collecting her car.

By a final response dated 26 April 2024, Admiral turned down that complaint.

On about 19 September 2024, Ms A contacted Admiral and said that she wanted to choose its option of proceeding with the claim and keeping the car.

According to its MOT history, the car passed a test on 20 September 2024 with a recorded mileage of about 93,000.

On about 2 October 2024, Admiral told Ms A that her car was a write off in “category S” (structural damage).

By about 8 October 2024, Admiral confirmed the car was in category N.

By an email dated 15 October 2024, Ms A complained to Admiral. In relation to the first incident, she complained that it had recoded a fault claim against her and paid the third party too much. In relation to the second incident, Ms A complained to Admiral that it had mishandled the write-off category and that it was taking too long to resolve liability in her favour and to get back her excess.

By a final response dated 28 October 2024, Admiral turned down Ms A’s complaint that it had paid the third party too much for the claim arising from the first incident.

By another final response also dated 28 October 2024, Admiral accepted that there had been a lack of communication with the third party about liability for the second incident. Admiral also accepted that there had been a delay in amending the write-off category. Admiral said it was sending Ms A £75.00 compensation for distress and inconvenience.

Ms A brought her complaint to us on about 19 November 2024. That was more than six months after the final responses dated 21 March and 26 April 2024. Ms A included a complaint that Admiral hadn’t told her about the third party’s claim arising from the first incident, that it hadn’t replied to emails, that it had held her at fault and paid the third party too much.

By a final response dated 18 December 2024, Admiral turned down the complaint about the first incident, save that it apologised for not responding to emails within a reasonable time. Admiral said it was sending Ms A a further £50.00 compensation for distress and inconvenience.

By another final response also dated 18 December 2024, Admiral accepted that in relation to the second incident there had been a delay in instructing solicitors to pursue the third party. Admiral said it was sending Ms A a further £50.00 compensation for distress and inconvenience (making a total of £175.00).

Our investigator didn’t deal with the complaints that led to the final responses dated 21 March and 26 April 2024, considering that they were brought to us out of time.

Our investigator didn’t recommend that the remaining complaint should be upheld. He thought that the £175.00 was a fair sum to compensate Ms A.

Ms A disagreed with the investigator’s opinion. She asked for an ombudsman to review the complaint. She says in summary, that:

First Incident: 13 December 2023

- The signage says “merge in turn”.

- No one was in front of her. She was in front as she was hit from the back.
- Merge in turn situations without evidence should be split liability, regardless of who is in what lane.
- Her car was damaged. There was no structural damage.
- The other party's car was not damaged.
- She was not notified of the third party's claim.
- Her NCB is affected, and her insurance premiums have risen.

#### Second Incident 27 February 2024

- Between 27 February and 27 March 2024, Admiral and its salvage agent pressured her to give her car to the salvage agent.
- Admiral's failure to change the record of the car's write-off to category N would have got her in trouble with the police or DVLA. She checked and resolved the category.
- Her NCB is affected and her insurance premiums have risen.
- She is still without the excess.
- Admiral by their own admission have had many delays in processing this claim.

#### **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.

#### Both incidents

The Financial Conduct Authority ("FCA") is the regulator of financial firms. The FCA's dispute resolution rules are binding on the Financial Ombudsman Service.

One such rule is that, before we can investigate a consumer's complaint, that consumer must first have made that complaint to the firm and waited for up to eight weeks for a final response.

It sometimes happens that a consumer complains to the firm, receives a final response and brings the complaint to us, adding further complaints, often about more recent events. In such circumstances, the rule applies to the additional complaints, even if they arise from acts or omissions after the initial complaint.

Another rule is that we cannot investigate a complaint unless the consumer has brought it to us within six months after the final response, unless there were exceptional circumstances that prevented the consumer from doing so.

Also, we have to adopt a two-stage process under which an investigator gives an opinion on a complaint and, if either party asks, an ombudsman gives a final decision.

We may deal with a consumer's complaint about an act or omission of a firm. Where we uphold such a complaint, we look at the act or omission's actual impact on that consumer. The impact may include concern about what might've happened.

We may direct the firm to pay compensation or to take other steps to put right the impact. We don't assess compensation at a level intended to deter or punish unfair acts or omissions.

Where an insurer responds to a claim by making an outlay, it's common practice for it to record a fault claim against its policyholder unless and until it recovers that outlay in full. Where that insurer agrees to split liability with a third party's insurer, neither insurer recovers its outlay in full.

Admiral's policy terms included the following:

*"Defending or settling a claim*

*We are entitled to:*

- conduct the investigation, defence and settlement of any claim on your behalf*
- inspect your vehicle at any reasonable time we ask*
- Bring a claim in your name against any third party responsible for any loss or damage..."*

I consider that the effect was that, on a question of how best to deal with a claim involving a third party, Admiral's view would prevail over its policyholder's view. Such terms are common in motor insurance policies. Nevertheless, I will consider whether Admiral applied its terms fairly in Ms A's case.

Unlike a court, we don't hear evidence from each driver and decide the extent to which they are responsible for causing injury or damage.

The incidents and the claims were, in my view, bound to cause Ms A some distress and inconvenience.

Admiral was under a duty to handle claims promptly and fairly.

The rules limit the scope of this final decision to complaints made to Admiral before the final responses dated 18 December 2024. Ms A is free to make further complaints, for example about delay after that date.

#### First incident - December 2023

Ms A stopped at the scene and spoke with the third party. Ms A reported the incident to Admiral but didn't make a claim. So she must've thought there was a risk that the third party would make a claim to Admiral.

I find that Admiral didn't tell Ms A when the third party made a claim or when it settled the claim. I don't condone that.

However, Ms A had given Admiral her version of events. Admiral received the third party's claim and version of events. Admiral had to weigh up that claim in the absence of other evidence such as dashcam footage.

Admiral decided that, rather than incur the cost and risk of defending the claim, it would settle the third party's claim. That included the cost of repairs and the cost of car hire.

Overall, I'm satisfied that Admiral's decision was a fair and reasonable exercise of its right to conduct the settlement of any claim on Ms A's behalf. Admiral recorded a fault claim in line with the usual practice and I can't say that was unfair notwithstanding the financial impact on Ms A from the renewal date in December 2024.

Split liability would also have affected Ms A's NCB and tended to increase premiums.

#### Second incident - February 2024

Ms A's complaint that Admiral and its salvage agent tried to take her car away between late February and late March 2024 was the subject of the final responses dated 21 March 2024 and 26 April 2024.

Within the six months following those responses, Ms A was able to contact Admiral in September and October 2024. So there's no evidence of exceptional circumstances that prevented her from bringing her complaint to us. I consider that the investigator correctly declined to deal with that complaint, and the rules do not allow me to deal with it in this final decision.

Ms A withdrew her claim in late March 2024. So Admiral had no outlay for which to pursue the third party or their insurer. Ms A didn't revive the claim until mid-September 2024. So I don't hold Admiral responsible for delay during that period.

Admiral accepted that it was responsible for some delay in September and October 2024.

I accept that in October 2024, Admiral changed its record of the write-off from category N to category S, and then failed to implement the promised change back to category N. Ms A was concerned about that. However, she was able to resolve the issue.

I accept that Admiral charged Ms A the excess. I consider that was in line with the policy terms. I wouldn't expect Admiral to refund Ms A unless it had recovered the excess from the third party. As Admiral hadn't made such a recovery by 18 December 2024, I don't consider that Admiral had treated Ms A unfairly by not making a refund.

Admiral hadn't recovered its outlay, so I don't consider that it treated Ms A unfairly by recording an open claim or a fault claim against her. I say that notwithstanding the financial impact on Ms A from the renewal date in December 2024.

#### Conclusion

I've thought about the shortcomings that I've noted in Admiral's handling of the claims, and their impact on Ms A. That included extra distress and inconvenience of having to chase Admiral to try to resolve issues at an already difficult time for her. I've taken into account the level and duration of such impact.

I've thought about what I would've found it fair and reasonable to direct Admiral to pay in compensation if it hadn't already made payments. I've concluded that £175.00 is fair and reasonable compensation for distress and inconvenience. So I don't find it fair and reasonable to direct Admiral to do any more in response to this complaint.

#### **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 Ms A to accept or reject my decision before 30 July 2025.

Christopher Gilbert

**Ombudsman**