

## The complaint

Mr D and his mother, Mrs D, have complained about their motor insurer, Admiral Insurance (Gibraltar) Limited ('Admiral') and the amount the policy premium on their multi-car policy was increased by after Mr D was involved in two non-fault incidents.

Admiral is the underwriter of this policy i.e., the insurer. During the claim Mr D and Mrs D also dealt with other businesses who act as Admiral's agents. As Admiral has accepted it is accountable for the actions of its agents, in my decision, any reference to Admiral includes the actions of the agents.

## What happened

I issued a provisional decision on this complaint earlier this month where I said I was not considering upholding it. An extract from that decision follows:

*"Mr D and Mrs D took out a multi-car policy with Admiral in June 2023 at a cost of around £2,450 with £2,333.52 being for Mr D's car and the rest for Mrs D's. The policy covered two cars and they were each a main driver on each car.*

*Mr D and Mrs D complained to Admiral after their premium increased to more than £5,000 after Mr D was involved in two non-fault accidents within the same policy year. They said they weren't happy that Admiral took into account these accidents when calculating their renewal premium and felt this was unfair especially as Admiral didn't have an outlay in relation to either incident. Mr D and Mrs D also said that, when they took out the policy, they were advised that the price would not be impacted by accidents and that this was not mentioned in the terms and conditions.*

*Admiral upheld Mr D and Mrs D's complaint about the advice they said they were given when they first took out the policy because it couldn't locate the initial call where this was discussed. It said it had taken their feedback about the terms and conditions on board and suggested that the policy be updated. But it said that the policy contains a condition that the premium can be impacted by any information changing.*

*Admiral said that its decision to rate on non-fault as well as fault claims and incidents was based on its own statistics which show that customers with non-fault claims are more likely to make a fault claim in the future. It concluded that it found no errors with the way it calculated the premium and said it wasn't able to issue Mr D and Mrs D with a refund.*

*Nevertheless, Admiral offered Mr D and Mrs D £100 compensation for the distress and inconvenience it caused them and reduced their premium by £93.89 to bring the price closer to an initial quote they'd received. It said it would cancel their policy free of charge if they*

wished, in the event they found a cheaper premium. It later offered them a further £50 compensation after it accepted that it had tried to contact them on the wrong number and that it had closed their complaint down in error.

Mr D and Mrs D then brought their complaint to our organisation. They said they ran quotes through a price comparison website and were surprised that the premium was more than double for two non-fault accidents compared to one. And they said when they asked Admiral to calculate their premium based on the incidents being fault rather than non-fault the difference was only £20 compared to both incidents being non-fault.

Mr D and Mrs D feel that their policy has been mis-sold. They also felt it was unfair that Mr D was effectively being punished despite not being at fault for either accident. They said had they been aware this would happen they would not have taken out this policy.

One of our investigators reviewed the complaint but didn't think Admiral needed to take any action. Our investigator explained that it isn't our role to tell a business what it should charge or how it should assess risk. But we would consider whether Admiral treated Mr D and Mrs D unfairly in calculating their premium and in the circumstances, she didn't consider that it had.

Mr D and Mrs D didn't agree and asked for an ombudsman's decision.

The matter was then passed to me to decide. Before I proceeded with my decision, I asked Admiral to provide more information regarding its calculation of the premiums. I also asked Mr D and Mrs D whether they renewed the policy, but they said that Mr D took out a telematics policy through another insurer instead.

### **What I provisionally 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.

#### **Mis-sale**

Admiral has accepted that it may have potentially given Mr D and Mrs D incorrect advice about whether their premium would be impacted by any accidents they were involved in. So I don't think there is a need for me to make a further finding on this, other than to consider its potential impact. Mr D and Mrs D say that if they had been told this they would not have proceeded with their policy.

When dealing with mis-sale complaints we consider how the policy was sold and what information was available to the customer at the time. We expect those who sell insurance to provide customers with clear, accurate and non-misleading information to enable them to make an informed decision before they decide whether to proceed with the purchase. If the information provided wasn't clear or accurate, we consider what the customer's likely actions would have been had the information been clear and also whether they suffered any detriment.

Mr D and Mrs D said that had they been aware that any accident/incident would impact their

*premium they would not have proceeded with the policy. I appreciate the point Mr D and Mrs D are making, however, in the specific circumstances, I am not persuaded that this would have been the case. On balance, I don't think that they would have been able to find another insurer who would have been able to confirm that it doesn't take incidents/accidents into account or at least non-fault ones. And this is supported by the fact that when Mr D and Mrs D looked for alternative quotes at the time of their renewal, they said that most were similar or even higher than Admiral's.*

*Furthermore, insurers constantly update how they rate the risk of consumers and I think it would have been unlikely any insurer would have been able to say with certainty what criteria it would rate a policy on- especially when it comes to events that haven't happened yet. So, I don't think another insurer would have been able to guarantee that it wouldn't take future accidents into account.*

*Also, at the time when Mr D and Mrs D took out the policy, the accidents hadn't yet taken place. They took place during that policy year. Admiral has confirmed that the premium for that year-2023- stayed the same until renewal- other than when Mr D bought a replacement car in April 2024. It wasn't until renewal that the two non-fault accidents were taken into account, which is standard industry practice within insurance. At the point where the policy renewed Mr D and Mrs D had the option of changing their insurance provider so they weren't obliged to renew with Admiral, which is what ultimately happened. Had Admiral increased their 2023 premium when the incidents took place, I would have said that this was unfair especially because at that stage it would have been difficult for Mr D and Mrs D to change insurer.*

*It follows that I don't think that the policy was mis-sold.*

#### *The policy terms*

*Mr D and Mrs D also said that Admiral has not been transparent because its policy terms and conditions do not state how much of an impact a non-fault claim can have on a customer's premium.*

*Admiral said it has taken their feedback on board and referred the matter to the relevant team which I think is fair and reasonable. Admiral also pointed to general condition 15 within the policy which says that a customer must let it know if any information changes and that this may lead to an additional premium or even the policy being cancelled. As I said above, insurers constantly update how they rate the risk of consumers and for this reason I don't think it would have been possible to accurately predict the impact these incidents would have on Mr D and Mrs D's premium.*

*I appreciate that Mr D and Mrs D feel particularly strongly about this point, and I can assure them that I have considered it very carefully. But ultimately, I don't think Admiral's actions were unfair or unreasonable or out of step with the rest of the insurance industry.*

#### *The price of the policy at renewal*

*Insurers calculate premiums based on an assessment of the risk they are presented with. There are many different ways in making that assessment and each insurer tends to rely on*

*its own data and criteria which is why prices vary between insurers.*

*It's not the role of this service to tell an insurer what criteria it should use when pricing an insurance policy or what loading/weighting to apply. Those are commercial, business decisions that each insurer is free to make. It's also not our role to fine a business or to ask it to change its practices. Those are matters for the regulator, the Financial Conduct Authority, to consider.*

*The role of this service is to deal with individual complaints and in doing so we can consider whether an insurer has acted fairly and reasonably when calculating the insurance premium for individual customers, given their individual circumstances*

*As insurers constantly update how they rate risk this means that their rates continually change. Admiral has provided us with confidential business sensitive information to explain how Mr D and Mrs D's price increase was calculated. I'm afraid this isn't something I can share with them but I have checked this information carefully. Having done so I'm satisfied that the price Mr D and Mrs D were quoted has been calculated correctly and all of Admiral's customers in their position will have been charged a similar premium. Admiral has also explained to Mr D and Mrs D that its own statistics show that someone with a non-fault claim is more likely to make a fault claim in the future and this is why it considers non-fault claims to be a risk regardless of the fact that they were outside its customers' control. I thought this was fair and reasonable.*

*Mr D and Mrs D don't think it is fair that Admiral treats non-fault claims almost the same as fault claims. And they also don't think it's fair that one non-fault claim would have much less of an impact than two non-fault claims. As I said above, it isn't our role to tell insurers how they should assess risk as long as they treat customers in the same position the same way. It is for each insurer to decide what it considers a risk and how much of a risk and this is why two insurers can provide very different quotes for the same customer.*

*Admiral gave Mr D and Mrs D the option of shopping around and cancelling their policy with no cancellation fee. I thought this was fair and reasonable. Mr D confirmed that he didn't renew his Admiral policy and took out a telematics/black box policy with a different insurer which cost less.*

#### *Other complaints*

*Admiral paid Mr D and Mrs D £150 for the distress and inconvenience it caused them by issuing an incomplete final response letter and for advising them that incidents wouldn't impact their premium. Its offer also included compensation for contacting them at the wrong number and closing their initial complaint in error. In the circumstances, I think Admiral's offer is fair and reasonable and in line with what I would have awarded in similar circumstances.*

*Admiral also wrote off the £93.89 Mr D and Mrs D were charged for Mr D's new vehicle which he added to the policy in April 2024, a few weeks before the policy was due to renew. I thought this was fair and reasonable. It isn't unusual for a new vehicle to lead to a change in premium and it is standard practice and also fair and reasonable that an insurer is allowed to rate on the new vehicle in the same policy year."*

Admiral did not reply to my provisional decision. Mr D and Mrs D responded but didn't agree with it. They said that Admiral was asked a question and lied and that if they had lied to Admiral it would have voided their policy. They didn't consider this to be fair.

### **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.

Mr D and Mrs D say that Admiral lied when it was asked a question. I take it they are referring to the fact that they say they were told that their premiums would not be affected by any incidents. This is something I have already addressed in my provisional decision where I said that I thought that even if Admiral had misadvised them on this point it is unlikely that another insurer would have been able to say that it wouldn't take accidents they were involved in into consideration. I thought this was also unlikely due to the fact that insurers constantly update their underwriting criteria and would not have been able to say with certainty what criteria they would rate future policies on.

I appreciate Mr D and Mrs D will be disappointed with my decision. I can see how strongly they feel about their complaint but for the reasons I have provided here and in my provisional decision I don't think Admiral needs to take any further action. These as well as the findings I made in my provisional decision now form the findings of this, my final decision.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs D to accept or reject my decision before 16 June 2025.

Anastasia Serdari  
**Ombudsman**