

The complaint

Mr D complains that Admiral Insurance (Gibraltar) Limited: refused a claim on his motor insurance policy; provided confusing information and poor service; also it held him fully at fault for an accident which he didn't think he was to blame for.

What happened

Mr D insured his car with Admiral. He had sold his existing car and was awaiting delivery of his new car. In the meantime he was using his mum's car.

Mr D was driving his mum's car when it came together with a third party's car on a roundabout. Mr D told Admiral about the incident. Admiral subsequently held him at fault for the accident.

Admiral also told Mr D that in the circumstances, where he had sold his own car, he was no longer entitled to the 'driving other cars' cover on his policy. So it said it wouldn't cover the third party's costs for the claim. It said those would fall to his mum's insurer, which I'll call insurer C.

Subsequently insurer C settled the third party's claim and passed on its costs for those – which were in the region of £8,500 – to Mr D.

Mr D complained. Admiral acknowledged that it had made some admin errors; it also accepted that some of its service could have been better and that it had failed to manage his expectations. It offered Mr D £125 compensation for the impact of those things. But it said the decision to refuse his claim had been correct, as the policy was clear in saying that Mr D wasn't covered for driving other cars once he had sold his own car. Admiral also didn't alter its position on liability for the accident.

Mr D brought his complaint to The Financial Ombudsman Service and one of our Investigators looked into it. He didn't think Admiral needed to take any further action. Mr D didn't agree with our Investigator's assessment of the complaint; so the matter's been passed to me to determine.

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.

Should Admiral have covered the third party's claim against Mr D's policy?

Mr D said he was aware that the 'driving other cars' section of his policy only covered third party claims but he didn't realise he wouldn't have any cover in place in a situation where he was between cars. He said he'd checked on Admiral's website which indicated that he would be covered. And he says he wouldn't have driven if he'd realised that no cover was in place.

I entirely accept Mr D's account that he had no intention of driving whilst uninsured. I don't think there's been any suggestion that this was anything but a mistake on his behalf. But, regardless of how the situation arose, I don't think that means that Admiral needs to cover the claim.

Mr D's policy forms the contract between him and Admiral. It sets out what cover it will provide and the circumstances in which it will provide that cover. The contract insured Mr D and a specific car. The risk Admiral was prepared to accept was based on the details of that car. It was on that basis that Admiral offered the cover and calculated a premium. And in terms of driving other cars the policy clearly says that no cover will be provided where the car insured on the policy has been sold. That's what happened in this instance. That is Mr D no longer owned the specific car insured on the policy at the time of the incident. And, as he hadn't yet bought another car, he didn't have any cover to drive other cars at the time the accident happened.

Mr D's said that he had checked on Admiral's website to see if the driving other cars cover applied. He's shown us a screenshot which doesn't specifically say that no cover is provided if the car on the policy has been sold. But I don't think it was reasonable to rely on that information alone. As I've said above Mr D's contract with Admiral was set out in his policy documents, not any information online.

Further, I don't know if the information Mr D provided the screen shot for was actually the same as his own policy. Also, information on a webpage, unless it relates to the specific policy documents, is likely to be generic in nature rather than explicit to the individual policy. That's because insurers like Admiral typically offer different levels of cover depending on a policyholders requirements and budget. So not all of its policies will cover the same risks.

Indeed it's notable that the screenshot Mr D's provided opens by saying: "If this policy does include driving other cars...". I've added the emphasis but the "if" here shows that driving other cars cover wasn't automatically included in all policies. So to ensure that he had the appropriate cover Mr D needed to consult his actual contract, that is his policy documents rather than information online. And if he'd done so it's likely he would have realised that he wasn't covered to drive other cars at that time.

I'll add that Mr D's referred to a webchat he had with Admiral when he said he was provided with confusing information. Admiral's provided us with a transcript of that chat. For ease I've reproduced the relevant points below.

"19:18:35 – [Mr D]: yeh I have a new car so I need to insure that car and remove the old one. When I tried to update my policy I was quoted £66 when I have put my details in through [a comparison website] my quotes were around \$40 [sic] including admiral."

19:21:39 - agent: Oh okay [Mr D]. In this case you can take the policy with the [comparison website] if that is suitable for you. Once you will take the new policy, we can cancel this policy and will waive off the cancellation fees."

They then went on to discuss Mr D's no claims bonus entitlement. So, in that chat Mr D didn't at any point indicate he hadn't received his new car yet, nor that he would have a period without a car. Also he didn't ask about whether he would still be covered to drive other cars while he was waiting for his new car to arrive.

In those circumstances I don't think Admiral gave him any inaccurate or confusing advice concerning the driving other cars cover for his policy. Similarly I don't think he gave it any information from which it could identify that he would need to know about a change to his driving other cars cover.

It follows that, while I have some sympathy for the position Mr D finds himself in, I don't think that was because of anything Admiral did wrong. Put simply his policy didn't cover him to drive his mum's car at the time of the incident. So I think Admiral acted fairly and reasonably when it refused his claim.

Admiral's service

Admiral didn't get everything right and at times it could have communicated with Mr D more clearly. For example, rather than explaining at the outset that it was not dealing with the

claim under the terms of his policy it gave him information to say that the claim would not affect his no claims bonus and would be recorded on his policy as non-fault. However, that wasn't because Admiral didn't think he was at fault for the accident but instead because, as it wasn't providing cover, it wasn't paying out on any claim against his policy which would be recorded as a fault claim. But Admiral didn't initially make that clear.

Also, it made other mistakes. For example, at one point it told Mr D that it was refusing the claim because his mum's car did not have a valid MOT. But it did. It also quoted the wrong registration number. Additionally, Admiral has acknowledged that it didn't manage Mr D's expectations well. But it's recognised the impact of some of its errors and paid Mr D £125 compensation. I think this is reasonable in the circumstances as it's in line with awards we make in cases of similar seriousness, which have had a similar impact.

Liability for the accident

Mr D doesn't think it's fair that Admiral has held him fully responsible for the accident. It's explained to Mr D why it's arrived at that position. That's because the cars came together as Mr D was entering the roundabout when the third party was apparently already established on it. So it would be Mr D's responsibility to give way to the car on his right. And, while from an independent perspective, that seems reasonable, it's not a position Admiral's arrived at under the terms of Mr D's policy. In essence, given that it was not covering him, Admiral would be considering Mr D as the third party to the claim rather than as its policyholder.

I'll explain that in this instance the third party was also insured with Admiral. But, given that Admiral was not dealing with the claim under the terms of Mr D's policy, it was not defending the claim on his behalf. So when considering liability, while it should do so fairly, it would only be representing the third party and not Mr D.

In those circumstances it would be for insurer C, as the insurer of his mum's car, that would be expected – with Mr D's cooperation – to defend the claim, if it felt it was in a position to do that.

My final decision

For the reasons set out above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 7 October 2025.

Joe Scott
Ombudsman