

The complaint

Mr S complains that Admiral Insurance (Gibraltar) Limited (“Admiral”) mishandled a claim on his motor insurance policy.

What happened

Mr S had a hatchback car that had first been registered in about 2008. Mr S had a dashcam in the middle of the car’s dashboard. That recorded moving images as well as data including location and speed.

For the year from late July 2024, Mr S had the car insured on a comprehensive policy with Admiral. The policy schedule said that he had five years’ no-claims discount (“NCD”) and no protection of that NCD.

In August 2024, Mr S drove down a narrow one-way road. On each side were parked cars belonging to third parties. One of those on the right was a taxi. A passenger got out of the front nearside door of the taxi and walked to the kerb. A second passenger opened the rear nearside door of the taxi and Mr S’s vehicle hit it.

Mr S reported the incident to Admiral but didn’t claim for damage to his vehicle.

In November 2024, Admiral settled the taxi owner’s claim and recorded a fault claim against Mr S.

Mr S complained to Admiral that it had treated him in an unfair way.

By a final response dated 15 August 2024, Admiral turned down the complaint.

Mr S brought his complaint to us in mid-January 2025. He asked us to direct Admiral to record the claim as not his fault, to reinstate his NCD and to pay compensation for the distress and inconvenience caused.

Our investigator recommended that the complaint should be upheld in part. He didn’t think that Admiral’s decision was fair and reasonable. He thought that a split liability may have been a more appropriate outcome. However, that would still have been a fault claim affecting Mr S’s NCD. So the investigator didn’t recommend that Admiral should change how it recorded the claim or reinstate the NCD.

The investigator thought that Admiral’s refusal to take Mr S’s side and failure to investigate the claim fully had caused him distress and inconvenience. So the investigator recommended that Admiral should pay Mr S £200.00 compensation.

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

- Speed is not a factor it relies on when determining liability.

- The dashcam footage provides a clear and direct view of the incident, allowing it to make an informed decision.
- There is an element of fault on the part of the third party.
- A judge would likely find Mr S more at fault.
- Making an offer (of split liability) would have led to unnecessary delays, increased the risk of litigation, and potentially raised costs.

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.

An insurer may make an outlay in settlement of a claim. Where an insurer has done so, it's common practice for that insurer to record an open claim or a fault claim against its policyholder unless and until it recovers its outlay in full, typically from a liable third party or their insurer.

Where the insurer and the third party's insurer agree to split liability e.g. 50/50, then the insurer will recover its outlay in part but not in full. So the insurer will still record a fault claim against its policyholder.

Admiral's policy terms include the following:

"we are entitled to conduct the investigation, defence and settlement of any claim on your behalf."

I consider that the effect of that term is that – on a question of how best to deal with a third party's claim – Admiral's view would prevail over its policyholder's view. That's not unusual in motor insurance policies.

I will consider whether Admiral treated Mr S fairly. Unlike a court, we don't hear evidence from each driver and decide the extent to which they are responsible for causing damage. The accident and the need to respond to the third party's claim were, in my view, bound to cause Mr S some distress and inconvenience.

Admiral took a verbal report of the accident from Mr S. Admiral made a note that Mr S lived with dyslexia, and that it should give updates by phone where possible.

Admiral reviewed the footage from Mr S's dashcam. Indeed, Admiral told us that it based its decision of that footage alone.

Admiral decided that, rather than incur the cost and risk of potential court proceedings, it would settle the third party's claim. That meant that it recorded a fault claim against Mr S.

I consider that it was reasonable for Admiral to conclude that a judge would likely find Mr S at fault for failing to anticipate, see and react to the opening of the taxi's rear door.

However, I consider that it was unreasonable for Admiral to fail to put it to the third party's insurer that the taxi driver and the second passenger were at fault for the opening of the rear door. In the circumstances, I consider that Mr S had a reasonable expectation that Admiral would take that step. So I've thought about the impact on Mr S of Admiral's failure to take that step.

I don't consider that the impact is that he suffered a fault claim unfairly. I say that because I don't consider that it was unfair for Admiral to conclude that there was no reasonable prospect that the third party or a court would agree that Ms S wasn't at fault at all.

And split liability would still have resulted in a fault claim against him, with the same impact on his NCD and the cost of future insurance. So I don't find it fair and reasonable to direct Admiral to change the way it has recorded the claim.

I consider that the impact on Mr S included that he felt that Admiral hadn't listened to him or tried to advocate his position. Admiral's final response told Mr S the following:

"From the dash cam footage it shows you were not paying attention."

The final response didn't mention any fault of the taxi driver or passenger. So the final response did nothing to put things right.

Putting things right

Keeping in mind the impact on Mr S, I conclude that £200.00 is fair and reasonable and in line with our published guidelines on compensation for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Admiral Insurance (Gibraltar) Limited to pay Mr S £200.00 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 September 2025.

Christopher Gilbert

Ombudsman