DRN-5703860

The complaint

Miss R has complained about Admiral Insurance (Gibraltar) Limited. She isn't happy about the way it has dealt with a claim under her motor insurance policy.

What happened

I looked at this case and provided my initial thoughts in my provisional decision as follows:

Miss R made a claim under her motor insurance policy after her car was set on fire in an arson attack. Admiral looked into the claim but eventually turned it down citing fraud. This was because it felt the circumstances surrounding the arson attack weren't as Miss R described, that it didn't feel that Miss R had evidenced how she had paid for the car and that ownership of the vehicle wasn't clear amongst other things.

As Miss R wasn't happy about this she complained to Admiral. It maintained its position, but it did acknowledge that there was delay and poor service and eventually offered £600 by way of compensation for this. But Miss R remained unhappy and wanted her claim paid so she complained to this Service.

Our Investigator looked into things for Miss R and upheld her complaint. Although Admiral had questioned the circumstances leading up to the arson and when the key was last used with the car, she didn't feel there was sufficient evidence to prove when the key was last used with the car. This was because the key evidence wasn't conclusive as the car had been burnt out and so the precise key settings couldn't be established. Plus, our Investigator thought Admiral had appeared to acknowledge that Miss R had provided proof of purchase for the vehicle, so she thought this aspect of proving the claim had fallen away. Given this she thought Admiral should pay the claim paying 8% simple interest for the time Miss R has been without the money owed.

Furthermore, our Investigator thought that Admiral should pay £1,250 by way of compensation as opposed to the £600 Admiral had suggested. Although she accepted claims like this can be difficult and drawn out, she identified a number of delays in advancing the claim and highlighted the amount of stress, inconvenience and humiliation Miss R had been caused.

As Admiral didn't agree the matter has been referred to me for review.

What I've 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.

Having done so I'm presently minded to form a different view to our Investigator and partly uphold this complaint, I'll explain why.

I also think it's important to explain I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been *said in this decision it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless it's relevant to the crux of the complaint.*

I can understand Miss R's frustration here with the delay in finalising her claim which has been significant, and the delay has clearly impacted her life so I think she should be awarded compensation. I can see that Admiral originally offered £150 by way of compensation which it has increased to £600 while the matter has been with this Service for consideration, but I believe this is sufficient. I know that this claim has impacted heavily on Miss R but, as outlined below, I'm not telling Admiral to settle the claim in full as I think additional investigation is required and I can understand why Admiral has concerns surrounding the claim. Once this is finalised, and if the claim is settled and not declined, I would expect Admiral to revisit this.

Since our Investigator's view Admiral has reiterated concerns it has in relation to this case and why it turned down the claim. Indeed, this Service has asked Admiral questions about certain aspects of the claim and its investigation, and it has responded to these questions with additional information requests that it feels Miss R can help answer. And I can understand why it has questions around the claim although I agree that it hasn't substantiated its position in relation to citing fraud. I'll explain why.

Claims like this are very hard to advance and can be difficult to get to the bottom of and conclude in a timely manner. And I can understand why Admiral has questions surrounding the claim. It has genuine concerns around the last use of the car and the key data does appear to contradict the last use of the car by Miss R before the arson attack. However, given the car was burnt out it is difficult to corroborate the settings on the car and this opens the possibility that the data from the key isn't accurate. So, I agree with our Investigator that it wouldn't be fair to rely solely on this in turning down the claim and citing fraud.

However, Admiral has further questions around the claim which it has raised again in response to our Investigator's view. It has raised questions around the purchase of Miss R's car and where the funds to buy the expensive car came from which is understandable. I say this as the car was bought in an unusual way – it was paid for partly by cash but mainly by the transfer of an expensive watch. Admiral has raised questions about this transaction and there appears to be lines of enquiry to undertake including potential enquiries with the person Miss R bought the car from which I would expect it to have already undertaken.

Furthermore, it isn't clear who owns the car and who paid for the car. I say this as the car was registered in Miss R's sisters name and it seems that Miss R has suggested that payment appears to have been made for the car by her sister. In fact, the car was also insured by Miss R's sister previously and she made an insurance claim in relation to the car previously. Plus, Admiral has further questions as there was outstanding finance on the car when it was in Miss R's possession so I can understand why Admiral has concerns here. Indeed, there was a mechanical problem with the car in the lead up to the arson attack that may have impacted the claim. The suggestion is that the car required a major repair not long before the arson attack and I've seen some evidence supporting this position but Miss R disputes this and says that the issue was minor and didn't require repair.

Given all of this I can understand why Admiral has questions around the validity of the claim, how the purchase was funded and around ownership of the car. So, although I can understand why the Investigator suggested that the claim should be paid in full as the fraud clause couldn't be relied on in declining the claim in relation to the key usage at the time of theft there are still genuine questions here surrounding the claim. So, I think the fairest thing *to do is for Admiral to reconsider the claim following a full reinvestigation and review. It wouldn't be fair to ask Admiral to pay the claim in full at this time given the understandable questions it has at this stage.*

Replies

Admiral responded to say it had nothing further to add and that it would be happy to agree to a further review and to look at the compensation level pending that review.

Miss R said she appreciated the time taken to review the matter in depth and for the time given to respond and was grateful for the acknowledgment of the serious delays and distress caused throughout this process. But she respectfully disagreed and wanted to raise key concerns, especially in relation to Admiral's reasoning for declining the claim.

Ultimately, Miss R felt that the reintroduction of previously resolved matters wasn't fair. And said that although my provisional decision acknowledged Admiral's "understandable" questions relating to vehicle ownership, finance, repairs, and proof of purchase. But she respectfully stressed that these concerns were previously raised, investigated, and concluded during Admiral's multi-stage investigation over a period of nearly two years.

Miss R explained that the purchase and funding had already been looked into and concluded by Admiral including

- visiting a third-party jeweler, reviewing receipts and concluding that there wasn't any issue with the transaction or legitimacy of the purchase.
- that she was the owner of the vehicle although the car was registered in her sister's name who had provided a statement disclaiming ownership and confirming Miss R had paid for the vehicle.
- that there had been a previous claim while her sister had the car temporarily insured which was advanced by her.
- the previous finance wasn't a matter for her or her sister as they had no involvement with this which the previous owner was responsible for.
- that she had submitted repair invoices and written communications from a garage which showed the repairs were completed.

Ultimately, Miss R was of the view that all of the above points had been fully investigated, and her claim was solely declined because of the key data. Miss R feels that to allow Admiral to revisit these issues now wouldn't be fair and amounts to a shift in reasoning having already had extensive opportunity to investigate this claim. And she reiterated the profound emotional and mental toll all this has had on her and to revisit all of this would only exacerbate the difficulties she faced so felt that her complaint should be fully upheld, and the compensation level increased.

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.

As Admiral has confirmed it accepts the provisional decision, I will simply focus on the additional points Miss R has raised in response. And I don't propose to go over the finer detail of this complaint again or to go over Miss R's additional points fully as I have already considered these issues in forming my provisional decision.

There isn't anything new in Miss R's further representations and I can understand how difficult and frustrating she has found all of this as she has been without settlement for a significant period of time. But Admiral has raised additional concerns or repeated the concerns it had to this Service throughout its response to this complaint. And I know Miss R feels that it should only be able to rely on the key concerns in declining the claim but in a complicated investigation like this that wouldn't be fair either.

Although the level of evidence required to show fraud in relation to the key data hasn't been reached there remains questions, on balance, about the claim. And given those concerns are clear and serious as outlined in my provisional decision I think it is only fair for Admiral to undertake a fair and thorough reinvestigation into the claim and the circumstances surrounding it. Upon conclusion of this, and if Admiral settles the claim, I would expect it to reconsider the compensation in line with the ongoing impact all of this has had on Miss R.

Given all of this, I can understand why Admiral has genuine questions about the claim. These included concerns around how the purchase of the car was funded (which is highly unusual), ownership of the car and who raised the finances, and the potential impact of a significant mechanical problem on the claim. And I would expect Admiral to expedite its further investigation and conclude matters as quickly as possible. But I remain of the view that the fairest thing to do is for Admiral to reconsider the claim following a full reinvestigation and pay £600 compensation for the delay and poor service. It wouldn't be fair to ask Admiral to pay the claim in full at this time given the understandable questions it has at this stage.

My final decision

It follows, for the reasons given above, that I partly uphold this complaint, and I require Admiral Insurance (Gibraltar) Limited to reconsider the claim following a full reinvestigation and review. And to pay Miss R £600 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 22 August 2025.

Colin Keegan
Ombudsman