

The complaint

Miss M complains that Admiral Insurance (Gibraltar) Limited haven't fully settled a claim she made on a personal accident insurance policy and with the service she's received.

What happened

Miss M had a personal accident insurance policy linked to a motor insurance policy. Miss M claimed on the policy following an accident which left her with serious mental and physical injuries.

In March 2022 the Financial Ombudsman Service considered a complaint about Admiral's handling of the claim to date. At the time the investigator acknowledged that there had been delays in handling the claim but thought the compensation offered by Admiral was fair.

Miss M's claim on the policy continued to be considered by Admiral. They agreed to settle some, but not all, of the expenses she claimed for. Miss M is also unhappy with the service she received as there were delays and she feels that Admiral have misrepresented the cover available under the policy throughout the claim.

Admiral issued three final response letters to Miss M relating to her claim. I'll summarise the complaints and Admiral's response in each of the letters:

- **June 2023** – Admiral paid £100 compensation for communication issues and for Miss M not being provided with a breakdown of the medical appointments that Admiral had agreed to pay for. They also reissued a payment for £100 as they noted there was a cheque which hadn't been cashed by Miss M.
- **August 2023** – Admiral responded to ten complaint points raised by Miss M about the value of the settlement and customer service issues. They awarded a total of £400 compensation.
- **July 2024** – Admiral paid a further £125 compensation as they didn't provide a full explanation of the Hospital Benefit daily payment in March 2022. However, they said they couldn't find evidence that Miss M had been told she'd be receiving a further payment of £60 000 under this policy.

Miss M complained to the Financial Ombudsman Service. Initially, our investigator concluded that some of Miss M's complaint points were not in the jurisdiction of the Financial Ombudsman Service. She explained that some of the issues were considered as part of a previous complaint at the Financial Ombudsman Service and couldn't be revisited now. However, she did think that the Financial Ombudsman Service could consider the complaint points dealt with by Admiral in a final response letter in July 2024.

Admiral accepted the investigator's findings, but Miss M didn't. Another ombudsman reviewed the complaint. He determined that that we could consider Miss M's complaint about the value of the settlement and the issues dealt with in the final response letters issued in June and August 2023 in addition to the complaint that Admiral responded to in July 2024.

Our investigator considered the merits of Miss M's complaint and partly upheld it. She agreed that there had been some avoidable delays and that this had caused Miss M to experience financial hardship as she'd had to take out a loan secured on jewellery she'd inherited from a close relative. She also thought that Admiral could have communicated more clearly with Miss M about the policy benefits. The investigator thought Admiral needed to put things right by paying 8% simple interest on the amounts Admiral had agreed to settle under the policy terms, compensation for interest on the loan Miss B took out and £1000 compensation for the distress and inconvenience caused.

Ultimately Admiral agreed to the investigator's recommendation. Miss M made further representations as she thought that the compensation should be the total policy benefit of £100 000 (minus payments already made) for all the medical appointments she'd attended and she wanted £55 000 compensation for the distress and inconvenience caused. She also wanted Admiral to provide all phone call recordings and emails. She said, in summary, Admiral shouldn't be allowed to apply a two year limit to the settlement of the claim as she was still experiencing symptoms. She felt Admiral had misrepresented the situation, had breached the insurance contract and failed to comply with regulations.

The further representations didn't change our investigator's view of the complaint. Miss M didn't agree with the investigator's further recommendations and so the complaint was referred to me to decide. Miss M summarised her reasons for not agreeing with the investigator as being:

- The investigator failed to address the distinction between psychotherapy and remedial therapy (which Admiral had relied on when declining to cover all of the medical appointments);
- Admiral had misrepresented matters to her over nearly a five year period;
- She'd suffered psychiatric harm, leading to a suicide attempt;
- She suffered financial hardship because she was wrongly told payments weren't available;
- Admiral admitted that she was mis-advised for four and half years.

In July 2025 I issued a provisional decision. I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

At the outset I acknowledge that I've summarised this complaint in far less detail than Miss M has, and in my own words. I won't respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here.

The rules that govern our service allow me to do this as we are an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to fulfil my statutory remit.

I also want to acknowledge that the circumstances which caused Miss M to claim were very difficult. I have a lot of empathy with what she's said about the impact of the accident on her physical and mental health. It's clear Miss M has had a very difficult time and that she's experienced a lot of trauma as a result of what happened.

I will not be revisiting the outcome of Miss M's previous complaint made in 2022. My decision will focus on the issues with claim handling and the settlement of it since then. However, due to the complex history of this complaint it may be necessary to refer to documents and information at earlier stages of the claim.

The policy terms and conditions

The starting point is the contract on insurance between Miss M and Admiral. It sets out what is, and isn't, covered by the policy.

The policy covers a specified list of physical injuries, up to a maximum of £100,000. Section 2 of the policy sets out what is covered and includes a table of the benefits available.

Section 1 of the policy defines bodily injury as:

Any injury to the insured person which is solely caused by a road traffic accident and which, within 52 weeks from the date of the accident, solely and independently of any other cause, results in death or any of the injuries listed in the Benefits Table in Section 2.

The benefits include a 'Hospital daily payment benefit' which is defined as:

If the insured person is admitted to a hospital following bodily injury or if their condition is treated by a doctor or nurse in an Accident and Emergency department, we will pay the sum shown in the Benefits Table for each 24 hour stay in hospital.

There is also cover for remedial therapies which is defined as:

If, as a result of your injury, a medical practitioner prescribes either physiotherapy or cognitive behavioural therapy, you may benefit from the relative amount in the Benefits Table upon receipt of supporting evidence. Please note following the initial session at least one appointment must be attended.

Section 3 of the policy sets out what isn't covered under the policy. It says:

Under hospital daily payment benefit (item 17) no benefit will be paid unless you are admitted into hospital or your condition is treated by a doctor or nurse in an Accident and Emergency department. Payment will only be made once we have received a completed claim form and evidence of this assessment and/or admittance.

It also explains that Admiral will not be liable for a claim:

For any injury not specifically limited in the benefits table.

The settlement and handling of the claim

The relevant rules and industry guidelines say that Admiral has a responsibility to handle claims promptly and fairly. And they shouldn't reject a claim unreasonably.

Miss M has raised multiple complaint points which cover issues between 2020 and 2025. Bearing in mind what I've outlined above about the aspects of the complaint

we can consider, and that the Financial Ombudsman Service is an informal dispute resolution service, I'm addressing the following key points which I think are central to the outcome of Miss M's complaint. They are:

- a) Cover for the medical appointments
- b) Payment of the maximum policy benefit of £100 000
- c) Misrepresentation and obstruction
- d) Failure to handle the promptly and fairly.

I'll now address each of these points in turn.

a) Cover for medical appointments

There's no dispute Miss M was covered under the policy for the injuries she sustained in the accident. In my view the key issues are whether Admiral has fairly applied the policy limits and whether it was reasonable for Admiral to stop payment of the policy benefits 24 months after the accident.

On a strict application of the policy terms Miss M is covered for a payment of £400 for every 24 hours she is admitted to hospital. That's when the benefit becomes payable. Therefore, Miss M has had appointments which didn't lead to a 24 hour admission then she isn't entitled to the benefit. I think that's clear from the policy terms.

For the avoidance of doubt, the policy terms don't specify that there is a time limit frame for the treatment after the accident to be completed. I don't think the policy terms limit cover for treatment to 52 weeks post-injury. That's not what the terms say. There is cover for any injury caused by a road traffic accident which, within 52 weeks from the date of the accident, results in any of the injuries listed in the policy. So, I'm not persuaded that term means Admiral can stop payments after 52 weeks.

Admiral has said they've relied on the medical evidence provided to determine the likely recovery period. They've said that a medico-legal report provided a prognosis for recovery of 12 to 24 months. I've seen a summary of that report and commentary from Admiral about it but I haven't been provided with the actual reports they've relied on. In any event, Admiral has accepted that they could have made it clearer to Miss M about the policy benefits and how they operated. I agree, and I also think it ought to have been reiterated to her more clearly that there was a time limit for treatment which was linked to her prognosis for recovery.

At the point this complaint was referred to the Financial Ombudsman Service, the information about Miss M's prognosis was significantly out of date. Given Admiral's ongoing interactions with Miss M, it was clear that she continued to receive treatment outside of the original prognosis period and that was likely to lead to ongoing claims for policy benefit.

That's not surprising given the nature of her injuries and her previous medical history. I also think Miss M was vulnerable because of her mental health symptoms and physical injuries. Admiral also accepts that they didn't properly manage Miss M's expectations about the policy.

All of this leads me to the conclusion that it's fair and reasonable to revisit Miss M's prognosis period to determine whether the 24 month prognosis period is fair and

reasonable. I can see from Admiral's notes that they considered whether an up-to-date review of the medical position by an independent medical examiner (IME) would be beneficial. In the circumstances of this case, I think that would be fair and reasonable to determine whether the original prognosis period is fair and if there are other benefits which need to be paid. So, I'm intending to direct Admiral to obtain a further report and reassess the claim in light of that report.

Admiral has paid for some appointments that it didn't need to (when Miss M wasn't admitted for 24 hours). I asked Admiral to provide a full breakdown of the specific appointments which they felt had been overpaid. They provided some further commentary on the policy terms but no detailed breakdown of which specific appointments they thought had been paid outside the policy terms in error.

Miss M also complains that the policy benefit for remedial therapies hasn't been fairly applied. She says she's had treatment for psychological treatments, including trauma work, CBT and psychotherapy. She says it's not fair to consider these under the remedial therapy section and they are psychological treatments. I don't think that Admiral has unfairly applied the policy limit to Miss M's claim.

The policy benefits table doesn't offer cover for psychological injury. The policy doesn't cover anything that's not specified on the table of benefits. The only relevant benefit listed is 'remedial therapies' which is limited to physiotherapy and cognitive behavioural therapy.

That benefit is limited to a total of £1000. Admiral has paid the maximum benefit amount to Miss M, plus an additional £1000 towards that type of treatment. This was because there was a change in the policy terms increasing the benefit. So, whilst I don't dispute that Miss M has had ongoing psychological treatments, I'm satisfied that Admiral has paid the maximum benefit to her in line with the policy terms.

I don't think the terms are ambiguous about the scope of cover for remedial therapies. I think the policy explains the extent of cover available. Unfortunately, the psychological treatment Miss M had simply isn't covered.

b) Misrepresentation and/or Obstruction

Miss M has made a number of arguments that Admiral's conduct amounts to misrepresentation and obstruction.

I want to make it clear that it's not the role of the Financial Ombudsman Service to punish or fine a business. Miss M has also provided examples of other decisions where Admiral hasn't acted promptly and fairly. My decision focuses on the specific circumstances of Miss M's case which are different from the examples she's referenced.

Miss M strongly feels that Admiral have misrepresented the policy benefits and that she's relied on this information to her detriment. Based on the available evidence I'm not satisfied Admiral were, on the balance of probabilities, negligently misrepresenting the policy benefits. I'm more persuaded that there were customer service failings.

I'm also not persuaded that Admiral sought to deliberately obstruct Miss M's claim. I don't agree that there was an ongoing and deliberate attempt to avoid settling the claim. The claim was accepted, and Admiral has agreed to pay benefits under the policy. This doesn't suggest to me that Admiral were seeking to avoid the claim.

I do acknowledge that Miss M received poor customer service. There was a lack of clear communication and explanation about the policy benefits operate throughout the handling of the claim. I think the fair and reasonable way to put things right in the circumstances is to consider the financial and non-financial losses Miss M experienced as a result. I'll go on to explain what I think the impact on Miss M was below.

c) Payment of the Maximum policy benefit of £100 000

Miss M wants Admiral should pay the total amount available under the policy. The policy benefit is a maximum of £100 000.

Benefits are payable when the relevant policy benefits are triggered. Based on the evidence that's available there may be further benefits which Miss M is entitled to, once the claim is reassessed.

I think it's fair and reasonable for Admiral to reassess the claim, with reference to updated medical evidence, to determine if further policy benefits are payable to her. I don't think that it's fair to direct Admiral to pay the balance between what they've agreed to pay already and the maximum policy benefit because of poor communication and service.

I think the relevant claims need to be assessed with updated medical evidence and reference to the policy benefits and limits. I'm satisfied this will most fairly resolve matters between Miss M and Admiral.

d) Failure to handle the claim promptly and fairly (including Failure to Provide Reasonable Adjustments)

Overall, I accept that Miss M's overall experience has been difficult and frustrating. There were clearly times when the claim could have been progressed more quickly. Admiral accepted the investigator's findings that there were delays in making payments and that communication about the policy benefits could have been clearer during the claims journey.

Miss M says that Admiral has failed to provide reasonable adjustments. I can't see that this is a complaint point Admiral has previously addressed. I don't have the power to consider a complaint before a business has had the opportunity to consider the complaint first. So, if Miss M remains unhappy with how any reasonable adjustments were handled, that's something she'll need to complain to Admiral about first.

Compensation for financial and non-financial losses

I have the power to award compensation for Miss M's financial and non-financial losses. The latter refers to our powers to award compensation for distress and inconvenience.

I'll deal with each of these in turn:

a) Compensation for financial loss

I've already explained why I don't think it's fair and reasonable for Admiral to settle the balance of the policy benefit. However, I do think Admiral needs to pay Miss M compensation for some financial losses.

Admiral doesn't dispute that delay in payment led to Miss M taking out a loan, secured against items of sentimental value. They've agreed to pay the interest between the time she took out the loan until the time that they paid Miss M the final claim payment (£3521.28). I don't think it's fair and reasonable for Admiral to pay additional interest beyond that date.

That's the point at which the delayed payments were made and, at that point in time, Miss M was able to settle the loan.

Admiral has also agreed to pay 8% simple interest on the claim payments already made. I think that's reasonable and in line with the approach of the Financial Ombudsman Service in such circumstances.

b) Compensation for distress and inconvenience

Admiral has already agreed to pay a total of £1000 compensation to Miss M. She feels it should be a total of £55 000 for the psychiatric trauma, financial hardship, misrepresentations and delays.

I've thought very carefully about all of Miss M's representations about this. In doing so I've taken into account everything she's said about the serious impact on her mental health or that her finances have been under since her accident.

I don't seek to minimise the impact of Miss M's accident, or the impact of Admiral's actions on Miss M. However, I don't think an amount of £55 000 is fair and reasonable in the circumstances. As I said at the outset it's not my role to punish or fine a business when they get things wrong.

I think a payment of £1000 further compensation for distress and inconvenience caused is fair and reasonable. That's in addition to the compensation Admiral has already offered and/or paid, which I set out in the background section to my decision. I also bear in mind that Admiral increased the 'remedial therapies' benefit by £1000 and paid for some hospital appointments outside the policy terms and conditions.

An award of over £1500 is appropriate where Admiral's mistakes caused sustained distress, impacting Miss M's health and severe disruption to her life lasting over a long period of time.

It's clear from the evidence Miss M has presented that this situation has had a lasting impact on her and impeded her recovery from the accident, particularly in relation to her mental health. I think a total of £1000 compensation, in addition to what Admiral has paid Miss M, fairly recognises the impact on her.

Putting things right

I'm intending to direct Admiral to put things right by:

- Within 28 days of Miss M confirming that she accepts my final decision, instructing an independent medical examiner (IME) to review all of the medical evidence to determine whether the original prognosis for recovery is still 24 months post the date of the accident. The IME should be provided with all the medical evidence held on file and, if Miss M consents, updated information from her General Practitioner. I can't direct Miss M to provide information, but I'd encourage her to provide any additional information she thinks is relevant to Admiral.

- Once the IME report is received Admiral should reassess the outstanding medical invoices, bearing in mind the IME's view on Miss M's prognosis. If there are any further payments to be made, they should settle them in line with the policy terms. Miss M ought to be aware that there is no cover for appointments which don't lead to a 24-hour admission to hospital or for appointments related to the remedial therapies section of cover (for the reasons I've explained above).

They should also pay:

- 8% statutory interest between 1 July 2021 – 16 June 2023, for the date the first payment of £5,600 was sent to Miss M.
- 8% statutory interest between 1 February 2023 – 3 July 2023, for the date the second payment of £5,600 was sent to Miss M.
- Interest accrued on the pawn-broking loan up until 3 July 2023, which I think is £3,521.28 based on the loan statement presented.
- £1,000 compensation for the impact of the distress and inconvenience caused to Miss M.

Admiral didn't respond to my provisional decision. Miss M made detailed submissions. In summary she said:

- Admiral misled her about the policy benefits repeatedly
- It was incorrect to treat misrepresentations made by Admiral as customer service issues
- Admiral had breached legal and regulatory obligations
- The impact on her had caused a collapse in her mental health and financial destruction
- Admiral should pay the full policy benefit and award significantly higher compensation for distress and inconvenience. They should disclose all emails, phone recordings and internal logs to show the scope of the mis-advice
- I should investigate and reopen the reasonable adjustments issues raised
- This was a failure by a regulated insurer to act lawfully.

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.

I want to reassure Miss M that I carefully considered all the points she's raised in response to my provisional decision. Whilst I've summarised her response and will only refer to what I consider to be the key points; this simply reflects that the Financial Ombudsman Service is an informal dispute resolution service. As I explained in my provisional decision, I don't need to comment on every point raised to fulfil my statutory remit.

Having reviewed the further representations I remain of the view that the outcome I set out in my provisional decision is fair and reasonable. I say that because:

- In reaching the conclusions I set out in my provisional decision I considered the relevant law and industry guidelines. That included the regulatory responsibilities to treat customers fairly and the regulators guidance for the fair treatment of vulnerable customers.
- I'm not persuaded that it's fair and reasonable to conclude that Admiral deliberately or negligently misrepresented the policy benefits to Miss M. Her claim was complex and Admiral did fail to clearly explain the policy benefits to her during the claim process. However, I'm not persuaded that there was a deliberate intention to give Miss M false information or a systemic attempt to mislead her about the policy benefits. I remain satisfied that these were flaws in the customer service Miss M received during a lengthy and complex claim. So, Miss M's representations haven't changed my thoughts about the outcome of this complaint.
- Miss M wants Admiral to provide all the calls recordings and information Admiral have logged as evidence of the multiple misrepresentations made to her. I'm not persuaded that's proportionate in the circumstances of this case. As I outlined above the Financial Ombudsman Service is an informal alternative to the courts and it's for me to determine whether I have enough information to reach a fair and reasonable outcome. Admiral accepts that Miss M was given incorrect information about the policy benefits throughout the claim and that they could have given her clearer information. So, I don't think it's necessary, in the circumstances of this complaint, to obtain the information Miss M has requested.
- I appreciate that Miss M wants me to investigate the points that she's raised in relation to reasonable adjustments. However, that's not something I can consider as part of this complaint. Miss M will first need to complain to Admiral about her concerns about this as it's not something that was initially raised as part of her complaint to Admiral and they've not had the opportunity to consider it and issue a final response letter covering this point.
- I've considered the case law Miss M has provided from the high court and other civil cases she's referenced, including the examples of high damages awarded by the courts. However, I'm not persuaded that this means the conclusions I've reached in my provisional decision should change. The facts and issues in the cases Miss M has cited are, in my view, materially different to the issues I'm considering in her complaint.
- In any event, my role is also to consider what is fair and reasonable in all the circumstances. The Financial Ombudsman Service is not the courts and, for the reasons I've set out in my provisional decision, I think the compensation I set out in my provisional decision fairly reflects the financial and non-financial losses Miss M has experienced. I appreciate that Miss M strongly disagrees with this but I set out in detail why I thought that redress was fair and reasonable. That includes the impact on Miss M's mental and physical health.
- Miss M has highlighted other examples of complaints about Admiral which the Financial Ombudsman Service has upheld. However, every case is different, and I've considered the specific facts of Miss M's complaint when deciding how Admiral needs to put things right.

For the reasons I've explained in my provisional decision (which forms part of this final decision), and above, I'm partly upholding this complaint.

Putting things right

I direct Admiral to put things right by:

- Within 28 days of Miss M confirming that she accepts my final decision, instructing an independent medical examiner (IME) to review all of the medical evidence to determine whether the original prognosis for recovery is still 24 months post the date of the accident. The IME should be provided with all the medical evidence held on file and, if Miss M consents, updated information from her General Practitioner. I can't direct Miss M to provide information but I'd encourage her to provide any additional information she thinks is relevant to Admiral.
- Once the IME report is received Admiral should reassess the outstanding medical invoices, bearing in mind the IME's view on Miss M's prognosis. If there are any further payments to be made, they should settle them in line with the policy terms. Miss M ought to be aware that there is no cover for appointments which don't lead to a 24 hour admission to hospital or for appointments related to the remedial therapies section of cover (for the reasons I've explained above).

They should also pay:

- 8% simple interest between 1 July 2021 – 16 June 2023, for the date the first payment of £5,600 was sent to Miss M.
- 8% simple interest between 1 February 2023 – 3 July 2023, for the date the second payment of £5,600 was sent to Miss M.
- Interest accrued on the pawn-broking loan up until 3 July 2023, which I think is £3,521.28 based on the loan statement presented.
- £1,000 compensation for the impact of the distress and inconvenience caused to Miss M.

My final decision

I'm partly upholding Miss M's complaint and direct Admiral Insurance (Gibraltar) Limited to put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 13 October 2025.

Anna Wilshaw
Ombudsman