

The complaint

Mrs F complains that Admiral Insurance (Gibraltar) Limited settled a claim on her motor insurance policy as a fault. She wants it changed to non-fault.

What happened

Mrs F said she hit some debris on the road which damaged her car, and she called Admiral to discuss this as she already had an open claim. Admiral said it would record the claim as non-fault and her No Claims Bonus (NCB) would be unaffected. Mrs F called again the next day and Admiral didn't correct this.

But Mrs F found out two months later that it had recorded the claim as fault. She said if she had been told this would be a fault claim, then she would have paid for her own repairs. She was also unhappy that Admiral hadn't acted to obtain a police report she had said was available. The claim remained open.

Admiral said it hadn't told Mrs F that her claim would be treated as non-fault, but it said it should have requested the police report to see if it had details of the other driver. And it offered Mrs F £100 compensation for this. But Mrs F remained unhappy.

Our Investigator recommended that the complaint should be upheld. He thought Admiral had told Mrs F that the claim would be non-fault and her NCB would be unaffected. And he thought that if it had told her the claim would be a fault, then Mrs F wouldn't have progressed the claim. He thought Admiral hadn't followed up on the police report promptly and this had delayed closing the claim. And he thought Admiral hadn't provided Mrs F with updates.

He thought Admiral should close the claim and record it as non-fault, NCB allowed, from the renewal date. He thought Admiral should reinstate Mrs F's NCB and recalculate her premium at renewal, refunding her the difference with interest. And he thought it should pay Mrs F £150 further compensation.

Admiral replied that it had closed the claim as fault as the police had no record of the incident and it couldn't recover its costs. It agreed it had incorrectly advised Mrs F. But it thought it was unlikely that Mrs F wouldn't have progressed the claim if she had the correct information. As Admiral didn't agree, the complaint has come to me for a final decision.

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 can understand that Mrs F felt frustrated that Admiral recorded the claim as a fault after telling her it would be non-fault, and her NCB would be unaffected. Instead, Mrs F's NCB protection was removed because she had two "strikes" on her record. And I can also understand that Mrs F feels frustrated that Admiral didn't request the police report promptly and so this delayed closing the claim.

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably. Admiral said the policy booklet explained in Section 6 when the NCB would be affected:

“Your No Claims Bonus: Claims that do not affect your bonus:

Claims which are not your fault where we have recovered our money in full.”

I think this is in keeping with industry practice and so I think Admiral didn't need to especially highlight this term to bring it to Mrs F's attention.

Admiral accepts that Mrs F couldn't have avoided the debris on the road and so she wasn't to blame. But it warned Mrs F that it would have to prove that the tyre debris on the road was due to the other driver's negligence, which would be very difficult. And it later said the police hadn't identified the vehicle that had left the debris. And so it had no other party from which to recover its outlay for Mrs F's repairs.

And so I would usually say that the Admiral was entitled by the policy's terms and conditions that I've quoted above to say that the claim has affected Mrs F's NCB. But I don't think this would be fair or reasonable in Mrs F's particular circumstances. This is for the following reasons.

When Mrs F first notified Admiral of the incident, she was worried about the effect on her NCB as she already had an open claim and was waiting for repairs to be made to her car. The call handler said

“I'll pop this through as a non-fault incident, so it won't be affecting your NCB” and “you may have to pay the two excesses as there are now two claims”.

“So like I say, I've put it through as a non-fault accident, so it won't affect your NCB”.

Mrs F called again the next day to explain that the police already had an incident number so Admiral could request a report that might identify the driver of the other vehicle. But the call handler didn't then explain that this would be a fault claim. They said it would be a tricky claim. But they didn't explain that this would be a fault claim on Mrs F's record.

Admiral didn't contact Mrs F again about the claim. But Mrs F called Admiral for an update after she had had her car repaired. She then found that the claim was recorded as a fault and her NCB protection was removed.

Mrs F has explained that if she had known that the claim would be recorded as a fault, then she wouldn't have progressed it in order to protect her NCB. And I think Mrs F mentioned this in her first call to Admiral. And she has explained that she would have paid for the repairs to be made privately.

Admiral thought this was unlikely due to the costs of the repairs. But I think it's more likely than not that Mrs F, an experienced motorist, would have been aware of the likely effect of the two fault claims on her premiums at renewal and would be wary about losing her NCB protection. And so I think Admiral's incorrect information prejudiced Mrs F's position and deprived her of the opportunity to make an informed decision about progressing the claim.

Admiral thought it should be able to rely on the policy terms and conditions I've quoted above. But I think this is a very unfair reason to not uphold Mrs F's complaint when its advisers have provided incorrect information and have failed to correct this when the opportunity was available.

When an insurer makes an error, as I'm satisfied Admiral has done here, we expect it to restore the consumer's position as far as it's possible to do so, and we expect it to compensate the consumer for the impact of the error.

As I've said above, I think Admiral's incorrect information prejudiced Mrs F's position and deprived her of the opportunity to make an informed decision about progressing the claim.

To restore Mrs F's position, I think Admiral should change how the claim is recorded on internal and external databases to “non-fault” and “NCB allowed” from the policy renewal date. It should reinstate Mrs F's NCB, recalculate her premium at renewal and refund her the difference with interest.

Admiral accepts that it should have requested the police report when Mrs F told it that another motorist had reported the debris and an incident number had been recorded. This delay kept the claim open for longer than necessary. And, from what I can see, this was for several months. During this time Mrs F had to live with the uncertainty of what the report would find. And then she had to spend time and was caused stress trying to find cover for an affordable price for her policy's renewal.

At the date of its response to Mrs F's complaint, Admiral paid Mrs F £100 compensation for its two month's delay in requesting the police report. But it then didn't act for a further three months. I think this caused Mrs F avoidable stress and worry for several more months. And I think an award of £250 in total (£150 further) compensation for this is in keeping with our published guidance and so is fair and reasonable.

Putting things right

I require Admiral Insurance (Gibraltar) Limited to do the following:

1. Change the record of the claim on internal and external databases to "non-fault NCB allowed" from the date of Mrs F's policy renewal.
2. Re-instate Mrs F's NCB to put her back in the position she would have been in prior to this claim being recorded as fault.
3. Recalculate Mrs F's renewal premium to take into account the claim being updated, and refund the difference between the premium paid and the recalculated premium.
4. Interest should be added to this refund at the rate of 8% simple per annum from the date of renewal to the date of payment*.
5. Pay Mrs F £150 further compensation (£250 in total) for the distress and inconvenience caused by its level of service.

*If Admiral considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs F how much it's taken off. It should also give Mrs F a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 9 October 2025.

Phillip Berechree
Ombudsman