

The complaint

Miss S complains about the way Admiral Insurance (Gibraltar) Limited ('Admiral') handled a motor insurance claim she made.

What happened

Miss S held a motor insurance policy underwritten by Admiral. She contacted them in September 2023 to make a claim as she believed her vehicle had been stolen. She explained that her neighbour's son was repairing her clutch, but he had told Miss S that the car had been stolen. However, after further investigations, it transpired that the vehicle had actually been driven and crashed by the neighbour's son. And it was also confirmed that he did not have a driving license or insurance to use the vehicle. While Admiral was in discussions with the police over whether they would be bringing a prosecution - Admiral settled the claim for £3,752.45 as a total loss.

Miss S raised a complaint and said that Admiral was delaying paying the remainder of the claim to her finance company. Admiral responded to the complaint in June 2024 and upheld it in respect of her concerns around delays. They said the remainder of the total loss settlement hadn't been paid due to ongoing investigations; but they also identified some customer service failings in contacting Miss S – so they paid £150 compensation.

Admiral then contacted Miss S in August 2024 and said as it had been confirmed that the police were not taking any further action; because the police felt the vehicle had not been stolen given Miss S had given permission for its use. Admiral confirmed they were declining to cover the claim and said Miss S would need to repay the total loss payment raised.

Miss S brought the complaint to this Service for us to consider, and I issued a provisional decision in which I said the following:

"I recognise the very specific circumstances of this complaint, and I can appreciate why Miss S allowed her neighbour's son to use her vehicle. I also recognise that it may be the case that she feels that the neighbour's son exceeded the permission she gave when he used the vehicle and later crashed it. However, my decision is based on whether Admiral has acted fairly or not and can justify the decision they reached, based on the available evidence.

I've looked at Miss S's policy documentation. That shows she was the only driver covered under the policy. So, Admiral said the accident fell within the general policy exceptions.

I've looked at the exceptions. The relevant section says:

- "You will not be covered for any liabilities you may have for any of the following:*
- 1. Any accident, injury, loss, theft or damage which happens while your car is:*

- used by a person or for any purpose not shown on your current Certificate of Motor Insurance”

Miss S's neighbour's son wasn't shown on the policy. So, I think it's fair to say there was no cover for the accident he had. That's because under the policy terms, there's no cover where somebody takes the vehicle with the owner's consent. I appreciate Miss S has explained she only gave permission for the vehicle to be repaired – but it appears from her own account that she allowed the neighbour's son to drive her home in the vehicle and then drive back to his own property, which may have been reasonably seen as use with her consent.

I can see there was a long period in which Admiral was trying to confirm whether the police were going to take further action in respect of the vehicle being taken. And I can see numerous chaser emails being sent from Admiral – so I don't think they acted unfairly here or delayed resolving the claim. And while I can appreciate how frustrating it would be for Miss S to initially be paid out and then later be told she needed to pay back the settlement – I don't think Admiral acted unfairly given they raised payment based on the information initially given. I think if they had not made any payment at all, that would generally be unfair as it would have delayed things.

But when the police later confirmed they weren't taking any further action in July 2024 – this is when Admiral declined cover and explained they would need to be repaid the settlement they had previously released. So, because Admiral considered and relied on confirmation from the police that it wasn't being treated as a criminal matter, as the police felt the neighbour had permission to use the car, I think it was fair that Admiral asked her to confirm how Miss S could repay the settlement.

I'm aware that Admiral previously offered £150 compensation to account for misinformation and a lack of customer service when they responded to the first complaint in June 2024. Having considered the reasons for this, I find them to be largely fair and I think £150 is a suitable compensation award to reflect the impact of Admiral's actions in relation to these points. But I can also see the Investigator recommended that Admiral should pay an additional £300 because he thought Admiral should never have released a settlement payment at all before concluding everything.

In respect of my findings above however, I don't think it was unfair for Admiral to release a payment in the way they did, given the information they were relying on at the time. And having reviewed the claim history, I can see Admiral did confirm that the claim could change if it was dealt with as a civil, rather than criminal, matter. And it wasn't until the police contacted Admiral in May 2024 and noted discrepancies in the reported circumstances that Admiral then got in touch with Miss S and explained that they required her proposals for reimbursement of the settlement previously released.

I find this to be reasonable, as Admiral requested information from Miss S as to how she could repay the money raised to her – not that they required it on the basis of a lump-sum payment. So, I can't reasonably conclude that they acted unfairly here and as such, I don't intend to make a further award of compensation.

Conclusion

I don't doubt this has been an upsetting and frustrating experience for Miss S - especially given the way events unfolded and the difficulty she now faces in repaying

the total loss payment that Admiral raised. I've thought very carefully about everything that's happened and what both Miss S and Admiral have said.

But having considered the terms of the policy and the information Admiral had at the time, I think they acted reasonably when they paid the claim, but later asked for it to be repaid once the full circumstances became clearer. And I think their compensation offer of £150 fairly reflects the service issues Miss S has previously experienced."

I concluded that, while I appreciated Miss S may have been disappointed with the outcome I'd reached, I didn't think Admiral had acted unfairly. And I said I understood Admiral were prepared to enter into a payment plan with Miss S, which I thought was fair. I also thought that, while not a direction, it would be good industry practice for any repayment plan agreed to have no interest attached and set over a time period in line with Miss S's affordability and other financial commitments.

I invited both parties to reply to my provisional findings. Admiral didn't provide a response or any further comments. And Miss S said she agreed with my findings in order to conclude the complaint.

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.

Having done so, and in the absence of any further evidence or information for me to consider, I see no reason to depart from my findings in my provisional decision.

My final decision

For the reasons I've given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 29 August 2025.

Stephen Howard

Ombudsman