

The complaint

Mr C and Mrs C complain about Admiral Insurance (Gibraltar) Limited's handling of a claim on their motor insurance policy.

Mr C has taken the lead in dealing with Admiral and bringing the complaint. But as Mrs C is the main policyholder and was driving at the time of the incident, for ease, I will refer to Mr C's comments as being hers.

What happened

Mrs C was driving. She had left a roundabout and moved into the right hand lane of a two lane road. The road narrowed to become one lane ahead. As Mrs C moved to her left, from the merging lane, a car on her inside accelerated forwards. The front left of Mrs C's car came into contact with the rear right of the third party's car.

Mrs C notified Admiral of the incident. But my understanding is that she didn't claim for any damage to her own car. The third party driver's insurer held Mrs C responsible for the incident and claimed from her policy. After reviewing the matter, including the dash cam footage Mrs C provided, Admiral felt that Mrs C would be held fully liable for the incident.

Mrs C complained about Admiral's liability decision. She also said that it had broken a promise to call her back. She added that it had incorrectly recorded that Mr C, rather than herself, was driving at the time of the accident.

Admiral issued its final response to Mrs C's complaint in January 2025. It didn't uphold the majority of it. Admiral was satisfied that it had arrived at a reasonable decision on liability. It acknowledged that it had failed to call Mrs C back when it should have done. It offered £50 compensation. It confirmed that it had correctly recorded that Mrs C was driving at the time of the incident.

Mrs C brought her complaint to the Financial Ombudsman Service. After she'd done so Admiral told her that the third party had submitted a personal injury claim. As a result it was reviewing its stance on the matter and was minded to defend the claim on a split liability basis, where both drivers should accept some fault for the incident.

One of our Investigators looked into Mrs C's complaint. He thought Admiral's initial stance was reasonable. Mrs C didn't agree so the complaint's been passed to me to determine.

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.

Liability

It seems that Mrs C has found Admiral's handling of the claim shoddy. She thinks that the third party was to blame for the accident as they accelerated to move past her, essentially undertaking on her left hand side, which is against Highway Code guidance.

I'll explain that it isn't the role of the Financial Ombudsman Service to decide liability for an accident. Ultimately that's a matter for the courts. Rather than deciding liability my role is to look to see if insurers have acted in a fair and reasonable way.

Admiral, like most motor insurers, has a clause in its policy that allows it to settle claims as it sees fit. This gives it the right to decide who it believes is liable for a claim, whether that liability should be full or shared or indeed whether or not the matter should be decided in court. But we look to ensure that insurers act fairly in deciding whether to settle matters and make a reasonable assessment of the claim – based on a clear understanding of the evidence and circumstances surrounding the accident. With this in mind, I have carefully considered how Admiral handled the third party's claim.

It is the case that Admiral came to a decision that Mrs C was most likely fully at fault for the claim fairly quickly. But I don't think that's because it didn't give the matter adequate consideration.

Mrs C had submitted dash cam footage which showed that she merged from the right hand lane into a lane where the third party was already established. Although the third party accelerated to try and move past her on her left hand side.

Mrs C seems to think that it was the third party's undertaking manoeuvre which was, at least in part, responsible for the accident. In contrast Admiral said that the onus was on Mrs C as the driver merging into a lane to ensure that it was safe to do so. So it, initially at least, felt that Mrs C would most likely be found fully at fault for the incident. And, having reviewed the matter, I don't think it arrived at its original conclusion because it failed to consider the evidence appropriately or considered matters that were not relevant. So I don't think it's initial liability position was wholly unreasonable. In those circumstances it wouldn't be fair for me to instruct Admiral to revisit it.

That said, I'm aware that Admiral has, after receiving the third party's personal injury claim, decided to review the matter itself. I don't know what conclusion it arrived at since then or if the matter is ongoing. But, it appears that, in its review, it has applied more weight to the actions of the third party driver's undertaking manoeuvre, in the context of what effect that had and its influence in causing the cars to come together. And having done so, it believed that the third party should be held at least partly to blame for the accident. So, it appears it intended to defend the claim on the basis that the liability should be considered as split between the two drivers.

As those events took place after Admiral had issued its final response to Mrs C's complaint they're not something I will issue findings on here. Rather I'm adding this for context and because it's important that I consider whether this is a view Admiral could have reached earlier/initially.

I think Admiral's revised view on liability is a position it could potentially have arrived at from the outset. But that doesn't mean it acted unfairly initially. It's not unusual for insurers to review their decisions and consider if they've applied appropriate weight to the evidence before them. And where that happens, that doesn't automatically mean their original conclusion was unreasonable. I'm satisfied that's the position here.

I'll add that Admiral's change of stance is unlikely to significantly affect Mrs C's position. That's because even where a decision is split, with both drivers taking some of the responsibility for the accident, then both drivers will be considered to be at 'fault' in terms of their insurance history. And that fault incident will have an effect on their no claims bonus (NCB). In Mrs C's case I understand her NCB is protected. So the incident will not reduce her NCB but will act as a 'strike' against it.

However, if Mrs C has any concerns about the manner in which Admiral has handled matters, after it issued its previous final response to her complaint in January 2025, then she may raise a further complaint with Admiral. And, to be clear, I haven't made any finding about the review Admiral undertook or the revised view on liability which it came to after issuing its final response letter on this complaint.

Mrs C suggested that Admiral should consider the claim on a 'knock for knock' basis. But Admiral told her that this isn't something that's done anymore. I'll explain that, while Admiral might not enter into them, knock for knock agreements do still exist. Although in my experience they are very rare.

Knock for knock settlements happen where both sides' insurers agree to cover the costs of their own policyholder's claim, rather than claiming from each other. However, this does require the insurers to agree on the liability decision. And in this case, the third party insurer held Mrs C wholly responsible for the incident. So even if this was something that Admiral engaged with, it seems unlikely it would ever have been a possible outcome for this claim. And such agreements are not something that insurers are under any obligation to offer or enter into. So I don't think Admiral did anything wrong in not trying to secure such a settlement.

Admiral's service

Admiral's agreed that it didn't get everything right and its offered Mrs C £50 compensation by way of redress. That sum is similar to awards I would make in cases of similar seriousness. So I think it's fair in the circumstances.

Recording the driver on the claim

Mrs C was concerned that Admiral had incorrectly recorded that Mr C was driving at the time of the accident. However, Admiral has confirmed that it correctly recorded Mrs C as the driver at the time of events. So I don't think I need to intervene further.

My final decision

For the reasons set out above I'm not going to instruct Admiral Insurance (Gibraltar) Limited to take any further action on the complaint it responded to in January 2025.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 25 September 2025.

Joe Scott
Ombudsman