

## **The complaint**

Mr O complains that his motor insurer, Admiral Insurance (Gibraltar) Limited ('Admiral'), increased his insurance premium after he was involved in a non-fault accident despite saying it wouldn't.

## **What happened**

In July 2024 Mr O was involved in a non-fault accident when another car cut across his path. He said that the damage was minimal so both parties decided not to claim. Mr O informed Admiral about the incident and says that he was reassured that it would be a "notification only" claim and wouldn't impact his premium.

A few months later, Mr O wanted to take out a new insurance policy for a new vehicle but was unhappy with the quote Admiral provided. He was initially quoted around £2,000 but was asked to call Admiral and when he did, it said the premium would be more than double that amount because of the July 2024 incident.

Mr O complained but Admiral only upheld his complaint in part. It agreed that it had provided confusing information to Mr O when he reported the incident and offered £50 compensation. But it said the premium had been calculated correctly.

Unhappy with Admiral's response, Mr O brought the complaint to our service. He said Admiral was the only insurer able to provide him with a quote but due to the premium quoted being so high, he may have to sell his car. He wanted the incident to be removed from his record and his premium reduced and to be reimbursed for any overpayments made thus far.

One of our investigators reviewed the complaint but didn't think Admiral needed to take any further action. He thought that the premium was calculated correctly and that Mr O hadn't been treated any differently to any of Admiral's other customers in the same situation.

Mr O didn't agree and asked for an ombudsman's decision. He didn't think it was fair that he was being penalised for an incident which wasn't his fault and that Admiral wasn't penalised for providing incorrect advice. He said he is young and now has a huge financial burden which will likely impact him for the next three to five years.

The matter was then passed to me to decide.

## **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 appreciate Mr O says he regrets reporting the incident to Admiral due to the impact it has had on his premiums. Under the terms of the policy, if the insured vehicle is involved in any type of incident regardless of fault, the customer must tell Admiral within 48 hours. Failure to do so could result in the claim being refused and/or the policy being cancelled. So though I appreciate Mr O may now regret it, what he did was in line with his policy terms and if he hadn't reported the incident, he would have been in breach of those terms.

A few months after the incident, Mr O obtained a new quote online but couldn't proceed and was asked to call Admiral. When he called, he was told his premium would be more than double what he was quoted online. Admiral said there were several factors which influenced the price and these included the July 2024 incident but also a previous non-fault incident.

Mr O said there was an incident in 2022 when he damaged one of his tyres by driving over a pothole. Mr O said at the time, he needed something in writing from Admiral to present to the local council in order to have the pothole repaired so he reported the incident to Admiral. As I said above, as per the terms of the policy, Mr O was obliged to report all types of accidents. So I thought it was right that he reported this to Admiral.

Mr O is unhappy that the two incidents, neither of which involved him making a claim, have increased his premium. I understand why Mr O finds this situation very frustrating. But insurers calculate premiums based on an assessment of the risk they are presented with. There are many different ways in making that assessment and each insurer tends to rely on its own data and criteria which is why prices vary between insurers.

It's not the role of this service to tell an insurer what criteria it should use when pricing an insurance policy or what loading/weighting to apply. Those are commercial, business decisions that each insurer is free to make. It's also not our role to fine a business or to ask it to change its practices. Those are matters for the regulator, the Financial Conduct Authority, to consider.

The role of this service is to deal with individual complaints and in doing so we can consider whether an insurer has acted fairly and reasonably when calculating the insurance premium for individual customers, given their individual circumstances.

As insurers constantly update how they rate risk this means that their rates continually change. Admiral has provided us with confidential business sensitive information to explain how Mr O's new premium was calculated. I'm afraid this isn't something I can share with him, but I have checked this information carefully. Having done so, I'm satisfied that the price Mr O was quoted has been calculated correctly and all of Admiral's customers in his position will have been charged a similar premium.

I appreciate Mr O wants the incidents removed from his record. Admiral is obliged to keep up to date records on internal as well as external databases including the Claims and Underwriting Exchange (CUE) which is a database used by many insurers for reasons which include fraud prevention. So I don't think Admiral needs to remove these incidents from Mr O's record. Before I proceeded with my decision I asked Admiral to confirm that both incidents were recorded as "notification only" bearing in mind that Admiral didn't make any payments regarding either incident. Admiral says that they were, which I think is fair and reasonable.

Admiral accepts that Mr O was given confusing information regarding the impact of the incident on his premiums. Admiral said when it spoke to Mr O in July 2024 when he reported the incident, it told him that it wouldn't be held against him. But it also advised him that all claims could impact the premium though his shouldn't increase a lot. So, Admiral accepts Mr O was given the impression his premium wouldn't increase as a result of this incident, which isn't the case. In fact, in its final response Admiral confirmed that regardless of fault or if a claim is pursued, any incident would add to the risk it is undertaking in insuring the car and would sometimes lead to an increase in premium. It offered Mr O £50 compensation for the confusing information.

In the circumstances, I think Admiral's offer is fair and reasonable and in line with awards we would make in similar situations. Though it did provide Mr O with confusing information which would have caused him frustration, I don't think it likely impacted Mr O in other ways. For example, it didn't impact his premiums which seems to be the main source of his unhappiness.

I appreciate Mr O will be disappointed with this decision. I know he feels strongly that the increase in his premium was unjustified but for the reasons I gave above, I don't think Admiral has treated him differently to other customers in his position. I appreciate he says he has done nothing wrong and indeed neither incident seems to have been his fault. But as I said above, it is for each insurer to decide how to rate the risk it is prepared to take when it provides cover. And on this occasion, as Admiral said the incidents did impact the way it assesses risk.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 16 December 2025.

Anastasia Serdari  
**Ombudsman**