

The complaint

Mr J complains about how Admiral Insurance (Gibraltar) Limited (Admiral) handled a claim under his motor insurance policy for the theft of his vehicle, and then declining the claim.

Any reference to Admiral in this decision includes their agents.

This decision covers Mr J's complaint brought to this Service in April 2025 and final responses issued by Admiral in May 2025 and (in response to a further complaint) July 2025. It doesn't cover an earlier complaint brought by Mr J to this Service, which was dealt with under a previous case in August 2024. So, this decision covers events from that date through to Admiral's second final response in July 2025.

What happened

Mr J purchased a vehicle from a private seller through an online marketplace in February 2023, which he said came with one key. In June 2024 Mr J went to see a friend, parking in the street. He and the friend went out and returned late evening to find the vehicle no longer where Mr J left it. Mr J still had the one key supplied when he purchased the vehicle. He reported the theft to Admiral and to the police. The vehicle was subsequently recovered in early September 2024, appearing intact with no obvious damage to the interior.

When he reported the theft to Admiral, they sought to validate the claim. They decided to investigate the claim as they had concerns about, firstly, the accuracy of information provided by Mr J when he took out the policy (specifically about unspent convictions) and, secondly, the circumstances surrounding the theft, including unusual issues identified from an analysis of the vehicle key Mr J had provided them with.

The nature of these concerns meant input and investigations from specialists, which took time, but which Admiral said was necessary and in line with the policy terms. Reports were produced by investigators and key specialists. The latter (from two separate locksmiths) concluded several things, including (from one) that the vehicle had three keys programmed to it and (from the other) that the key provided by Mr J was thought to be a spare (from the wear pattern) and last used on the vehicle two weeks before the date of the theft.

A separate report (from an investigation firm, B), including an interview with Mr J, found he had undisclosed, unspent convictions, and no information was provided about the vendor of the vehicle (so it wasn't possible to confirm how many keys were supplied with the vehicle). Admiral also obtained a police report on the theft. Admiral also engaged an independent assessor to inspect the vehicle, concluding there was no theft damage.

Mr J was unhappy at the time being taken by Admiral to assess his claim, so he complained. He was also unhappy at not being provided with a hire car, as his vehicle was with Admiral's salvage agent. He said he lodged a complaint in February 2025 but didn't get a response.

Mr J then complained to this Service, in April 2025. He said he'd provided all documentation requested by Admiral and co-operated fully, but it had been nearly a year from the date of the theft, and they had yet to reach a decision. The delay was causing him financial hardship, inconvenience and stress. Admiral hadn't provided clear updates on progress of

the claim and their assessment. He wanted them to make an immediate decision and a full payout for his vehicle, as well as compensation for the delay, inconvenience and stress.

When we contacted Admiral, they said they only received Mr J's complaint in April 2025, shortly before his complaint to this Service. So, we asked Admiral to respond to Mr J's complaint in the first instance.

Admiral issued a final response to Mr J's complaint in May 2025, upholding the complaint in part and awarding £150 compensation. Admiral referred to their areas of concern about the claim and the consequent need to investigate. The need for investigations led to the time taken to assess the claim. Admiral didn't think their handling of the claim had resulted in unnecessary delays. On the hire car issue, Admiral said the policy terms meant a hire car was only provided where a policyholder vehicle was being repaired by an approved repairer, which Admiral had not authorised (given the vehicle was recovered, with no obvious damage). But Admiral did acknowledge delays in providing Mr J with updates and a final decision on his claim, with Mr J having to chase them on several occasions for information.

Following their final response, Admiral concluded the theft hadn't happened in the way Mr J had described. In their decline of the claim, issued in June 2025, they summarised the conclusions of the various reports. They also added that the key Mr J provided showed that another key was used to facilitate the theft of the vehicle. So, they believed there had been a deliberate attempt to mislead them over the circumstances surrounding the incident. They referred to terms of the policy, covering fraud and misrepresentation and care of the vehicle. Admiral also said they would cancel or avoid the policy. As Mr J's vehicle was being stored at their salvage agents, Mr J would need to arrange for its recovery (or agree for it to be disposed of). The vehicle was deemed a Category X - stolen/recovered minimal damage.

Mr J challenged Admiral's decline of his claim, raising a fresh complaint and making several points to support his case. Admiral issued a further final response in July 2025, in which they didn't uphold the complaint. They said they had carried out a full review of the claim and concluded the decision to decline the claim was correct, as previously set out.

Our investigator then considered the complaint but didn't uphold it. She set out the sequence of events, concluding it was reasonable for Admiral to investigate the claim, including engaging specialists. She also concluded they acted fairly in declining the claim, given their conclusion Mr J hadn't adequately safeguarded the vehicle keys and where a claim was considered fraudulent. She also thought it fair not to provide a hire car. But she noted Admiral accepted they could have kept Mr J better informed about progress of the claim. She concluded Admiral's offer of £150 compensation was fair. While Mr J had requested Admiral release the vehicle key back to him so he could commission his own independent forensic report, should that report contradict the findings of Admiral's own investigations then it would be for Admiral to review and respond to Mr J.

Mr J disagreed with the investigator's view and asked that an ombudsman review the complaint. He provided a copy of an exchange between him and the seller of the vehicle, which our investigator shared with Admiral for them to consider. He also raised several points, including not being told of Admiral's concerns about the vehicle key until they declined his claim, so he wasn't able to challenge their conclusions. Nor had he been asked to provide evidence of the vehicle purchase. He also thought the report findings about the vehicle key were speculative and there was no clear evidence he possessed or used a second vehicle key. Admiral classifying the vehicle at Category X also implied an acceptance it was stolen, which was inconsistent with their declining the claim. He wanted a final decision on his complaint deferred until he had received a forensic report on the vehicle key from his own independent expert and this had been reviewed by Admiral.

In my findings, I concluded it was reasonable for Admiral to investigate Mr J's claim further, given the circumstances of the vehicle being taken. I also concluded it was reasonable of them to subsequently decline the claim, based on the various reports and other evidence available to them. However, I concluded the £150 compensation awarded by Admiral for their handling of the claim wasn't sufficient in the circumstances of the claim, concluding £300 would be a fairer sum.

Because I reached a different conclusion about the level of compensation to that reached by our investigator, I issued a provisional decision to give both parties the opportunity to consider matters further. This is set out below.

What I've provisionally decided – and why

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

My role here is to decide whether Admiral have acted fairly towards Mr J.

The key issue in Mr J's complaint is whether Admiral acted fairly and reasonably in declining his claim on the grounds of concerns they had about his description of the circumstances of the theft and having undisclosed unspent convictions. A second issue is the time Admiral spent investigating the claim and reaching their decision.

I should first note my decision is based on what happened in this case from the outcome of Mr J's earlier complaint to this Service (August 2024) up to Admiral's final responses (May 2025 and July 2025). My understanding is Mr J has obtained a forensic key report from an independent expert, and this has been provided to Admiral, along with evidence from the vendor from whom Mr J purchased his vehicle. Admiral are reviewing this evidence and, as necessary, should respond to Mr J. It would then be for Mr J to decide whether he is happy with their response (including any further final response they may issue) and bring a fresh complaint to this Service. So, I won't consider those points here.

Coming back to the issues I can consider, I've looked at the sequence of events in this case, including all the evidence and information provided by Mr J and Admiral, through to the time of their decline of his claim and their final responses.

Looking at what happened, the first point I've considered is Admiral's decision to further investigate the claim and the circumstances of the theft reported by Mr J. When they receive details of an incident, including the theft of a vehicle, insurers will seek to validate the details of the incident and the resulting claim. Depending on the specific circumstances of the case, they may decide to initiate more detailed enquiries, including the use of forensic and other specialists. That's not unreasonable and the policy terms provide for Admiral to do this, as they are entitled to "conduct the investigation, defence and settlement of any claim...". But insurers also must handle claims promptly and fairly.

In this case, I can see the circumstances of the theft (only one key supplied, keyless entry on the vehicle) led Admiral to initiate a forensic check of the key provided by Mr J, which doesn't seem unreasonable. And to confirm details of the theft with the police. There were some difficulties reading the key and the expert raised concerns as the failure rate for the type of key was low, recommending a further key inspection. The report from the specialist (BLC) at the beginning of August 2024 concluded the key had last been used two weeks before the date of the theft and that the wear pattern suggested it may have been a spare key (Mr J says the vehicle clock had issues).

The vehicle was found in early September 2024 (the police informed Mr J) and recovered. It appeared intact and was locked. At this point Mr J was asked whether he wanted to withdraw his claim, to which he said he wanted to continue. Admiral confirm they will continue to investigate the claim (and wouldn't offer a hire vehicle until complete). September 2024 also saw the report from the investigation form (B) with its findings about undisclosed, unspent convictions and Mr J unable to provide details of the vendor from whom he purchased the vehicle. The report concludes there is no specific evidence to contradict Mr J's version of events concerning the theft, although B express reservations. Admiral ask Mr J about the convictions (October 2024) and Mr J says his understanding was that they were spent.

There's a second key inspection report, concluding there are three keys coded to the vehicle (the summary report includes photos of the vehicle at the salvage agent yard and notes the vehicle mileage and clock being correct).

Having requested the police report, Admiral had to re-request it as the police wouldn't release it without a detailed application (November 2024). Admiral's claim notes include a comment (to Mr J) this was all Admiral were waiting for. But it appears a response wasn't received until February 2025. Between November 2024 and February 2025, the claim notes indicate little [recorded] activity on the claim, other than it needing to be reviewed in detail. This remains the position until the start of April 2025, where the claim notes record the claim is under review. This is the point at which Admiral record the complaint from Mr J (and he also brings his complaint to this Service).

Beyond that, it appears the decision to decline the claim was made (and reviewed) during May 2025 and issued formally at the beginning of June 2025, as set out above.

Given its importance in providing the reasons for Admiral declining the claim, I've looked closely at the letter repudiating the claim. It summarises the findings from the various reports from the locksmiths and B's investigation, concluding:

"Based on the information above, we cannot accept that the incident happened in the manner you reported to us.

- The key you have sent us has shown another key was used to facilitate to the theft of your vehicle.*

We believe that there has been a deliberate attempt to mislead us over the circumstances surrounding the incident and as a result we have no option but to repudiate your claim."

The letter refers to two General Conditions in the policy:

- General Condition 9: Fraud and Misrepresentation*
- General Condition 3: Care of your vehicle*

The full wording of each is set out in the letter, so I won't reproduce it here.

Having considered the findings and conclusions of the reports, I've concluded it was reasonable for Admiral to place reliance on them in coming to their decision to decline Mr J's claim and to cite the two General Conditions as those which Mr J hadn't complied with (fully) as part of the policy terms. Both conditions include wording setting out the potential consequences of non-compliance, which include declining a claim and cancelling or avoiding the policy. Which are the sanctions applied by Admiral.

So, I've concluded Admiral acted fairly and reasonably in declining Mr J's claim, based on the evidence available to them at the time of their decision and in line with the policy terms and conditions.

At this point, I recognise Mr J has challenged the decision and sought an independent key analysis of his own with a view to challenging the findings of Admiral's two locksmiths. As I've noted, it would be for Admiral to consider any such findings in the first instance and decide whether they change their decision to decline the claim. Similarly, the exchange Mr J has provided between him and the vendor of his vehicle is also something for Admiral to consider, in particular Mr J's view that he was only provided with one key at the time of the purchase of his vehicle (the one he provided to Admiral following the theft).

But I have considered the other points he's made in response to our investigator's view. I recognise the point about not being told about Admiral's concerns about the vehicle key until they declined his claim, so wasn't able to challenge their conclusions. However, as I've noted, Mr J has had the opportunity to engage his own independent expert to inspect the key and, as necessary, present their findings and challenge those of Admiral's locksmiths. On the point about the report findings about the vehicle key being speculative, then the reports will, by definition, be the findings, opinions and conclusions of the expert concerned. And as noted above, Mr J can (and has) engage his own expert.

On the point that he hadn't been asked to provide evidence of the vehicle purchase, this was mentioned in B's report. It would also have been open to Mr J to present his evidence (or obtain it as he has now done) at that time.

On the point about Admiral classifying the vehicle as Category X implying an acceptance it was stolen, which was inconsistent with their declining the claim, then I'm not persuaded this of itself implies they should have accepted the claim. As the vehicle was taken from the location Mr J says he left it but then found in a different location some two months later, then the category accurately describes what happened. But it doesn't make a value judgement on the circumstances of the incident and how the vehicle was taken.

On his request that a final decision on his complaint be deferred until he had received a forensic report on the vehicle key from his own independent expert and this had been reviewed by Admiral, then as I've noted earlier, this decision covers events from Mr J's first complaint to this Service to Admiral's decline of his claim and their final responses. Depending on the outcome of Admiral's review of the new evidence from Mr J, then it would be for Mr J to raise a new complaint with them and, if appropriate, with this Service.

Having reached these conclusions, I've then considered the second issue, the overall handling of the claim and the length of time taken by Admiral to reach their decision to decline Mr J's claim. What the sequence of events I've set out indicates, together with the detailed claim notes, is that he chased Admiral regularly for updates on his claim and its progress. And after the initial investigation activity, there was a significant period between November 2024 and February 2025 where it appears Admiral were only awaiting the police report. I can't hold Admiral responsible for the delay in receiving the police report (I've seen their formal response). But there also appears to be a period from the response being received to Admiral reaching their decision to decline the claim and formally communicating it to Mr J at the beginning of June 2025.

While I appreciate the importance of Admiral following a due process to review the whole claim and reach a considered decision, I do think that three months is longer than I think Mr J should have reasonably expected. Particularly as it followed a substantial period when Admiral were awaiting a response from the police. In total, Admiral took almost a year from the date Mr J reported the theft of his vehicle to confirm their decision to decline the claim.

I've taken this together with Admiral's acknowledged shortcomings in providing Mr J with updates with Mr J having to chase them on several occasions for information. Admiral have awarded £150 compensation, but I've concluded this isn't sufficient in the circumstances of the case, particularly the overall length of time taken for Admiral to reach their decision to decline the claim (even though I've concluded it was fair for them to decline it). I've also borne in mind what Mr J has said about the impact on him of what happened and the length of time he was waiting for a decision.

Having regard to the published guidelines for distress and inconvenience published by this Service, then I think £300 would be fair and reasonable compensation for Mr J. Depending on whether Admiral have already paid the £150 compensation they awarded in their May 2025 final response, then they should either pay Mr J £300 (if they haven't paid it) or pay him a further £150 (if they have paid it).

My provisional decision

For the reasons set out above, my provisional decision is that I uphold Mr J's complaint. I intend to require Admiral Insurance (Gibraltar) Limited to:

- pay Mr J £300 compensation for distress and inconvenience (if they haven't paid the £150 they awarded in their May 2025 final response) or pay him a further £150 (if they have paid it).*

Admiral responded to say they had nothing further to add and maintained the delays that occurred were due to their awaiting evidence, which then required time to review alongside the claim. They didn't their review was unreasonable. They felt the other issues had been compensated fairly.

Mr J responded to say he didn't accept the provisional decision at this stage. He added that this wasn't related to the proposed level of compensation, but that the provisional decision did not reflect all the relevant facts. Significant evidence was not available to Admiral at the time of their investigation of the claim or their decision, so could not be considered by this Service. He noted Admiral was currently reviewing the new evidence he had submitted, including an independent forensic locksmith report and written confirmation from the previous owner of the vehicle regarding the number of keys supplied when Mr J purchased the vehicle. Until Admiral completed that review and issued a new final response, any assessment of his claim would be incomplete.

Mr J said he would raise a separate complaint to this Service once he had received a final response from Admiral, should their stance (to decline the claim) remain the same.

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.

My role here is to decide whether Admiral have acted fairly towards Mr J.

On the points raised by Admiral, while I note they had nothing further to add, the additional points they add do not change my view of what would be a fair and reasonable level of compensation in the circumstances of this case. As I said in my provisional decision, while Admiral were awaiting the police report between November 2024 and February 2025, there was then a period from the response being received to Admiral reaching their decision to decline the claim at the beginning of June 2025.

I appreciate what Admiral have said about requiring time to review the evidence alongside the claim, but I haven't changed my view that three months is longer than Mr J should have

reasonably expected. In total, Admiral took almost a year from the date Mr J reported the theft of his vehicle to confirm their decision to decline the claim.

On the points raised by Mr J, I said in my provisional decision that it covered events from an earlier complaint brought by Mr J to this Service, dealt with under a previous case in August 2024, through to Admiral's second final response in July 2025. I also acknowledged the independent forensic locksmith report and evidence from the vendor from whom Mr J purchased his vehicle. And that both had been provided to Admiral, who were reviewing them, who would, as necessary, respond to Mr J. It would then be for Mr J to decide whether he was happy with their response and bring a fresh complaint to this Service, should he decide to do so. So, this falls outside this decision. That position hasn't changed.

So, having considered both responses, my final decision remains the same as my provisional decision, for the reasons set out in my provisional decision.

My final decision

For the reasons set out above, my final decision is that I uphold Mr J's complaint. I require Admiral Insurance (Gibraltar) Limited to:

- pay Mr J £300 compensation for distress and inconvenience (if they haven't paid the £150 they awarded in their May 2025 final response) or pay him a further £150 (if they have paid it).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 18 December 2025.

Paul King
Ombudsman