

The complaint

Mr L complains Admiral Insurance (Gibraltar) Limited unfairly handled a claim under his motor insurance policy.

What happened

The circumstances of this case are well known to both parties, but in summary Mr L's vehicle was involved in a minor collision with a third party vehicle in July 2023. The details of the incident were that Mr L's vehicle's handbrake slipped while the driver's door was open. This collided with the third party vehicle's wing mirror. Mr L subsequently notified Admiral of the incident and a claim was raised.

Shortly after the claim notification, Mr L contacted Admiral to explain that he felt the third party had exaggerated the damage to their vehicle and this was unrelated to the incident. Mr L provided photo evidence of the damage he recognised had occurred and explained he had a witness in his vehicle that could corroborate his account, and that there was CCTV present which would show what happened.

Admiral subsequently accepted and settled the third party's claimed costs and recorded the claim as a "bonus disallowed", often referred to as a "fault" claim. Mr L discovered this upon the renewal of his motor insurance policy in a later year following a substantial increase to his premium. So, he complained to Admiral as he said he hadn't been notified of the claim outcome, or been given the opportunity to challenge the costs it paid.

Admiral upheld the complaint in part due to some communication failures Mr L experienced. However, it didn't uphold Mr L's concerns about the claim decision or the costs it had settled. Unhappy with this, Mr L referred his complaint to this Service.

Our Investigator didn't uphold the complaint as they were satisfied that the claim had been handled fairly, and in line with the terms and conditions of Mr L's policy. They also noted that Mr L appeared to accept Admiral's response to the communication issues and so didn't comment further on this.

Mr L didn't agree and asked for an Ombudsman to make a final decision. In summary, he said that the decision to record the claim as a "fault" claim wasn't in dispute, but Mr L didn't think it was fair for Admiral to settle costs he wasn't responsible for, or for this to be recorded against him.

So the case has been 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 recognise my summary of Mr L's complaint is in less detail than presented. But I'd like to assure both parties that I've considered all available evidence provided in order to reach my

determination. My decision won't comment on each point raised, or each piece of evidence. But it will comment on the issues I consider to be key. This isn't intended as a discourtesy but reflects the informal nature of this Service – and the rules this Service are expected to adhere to enable me to do this.

While I recognise Mr L will be disappointed with my decision, I'm not upholding this complaint. I'll explain why.

As Mr L hasn't objected to Admiral's response to the communication issues, I won't look to comment on this further. The outstanding issue for me to decide is therefore whether Admiral settled the claim against Mr L's policy fairly.

The starting point with any insurance claim is the policy terms and conditions which sets out the basis of cover between the insurer and its policyholder. Having reviewed Mr L's policy terms, I can see that the policy confirms Admiral has the right to take over the defence or settlement of a claim. This may mean that Admiral may reach a decision that its policyholder doesn't agree with. And this can extend to not just liability, but also the costs settled under the claim.

However, relevant industry rules say insurers must handle claims promptly and fairly. So any decision Admiral reaches, including the costs it settles, must be fair and reasonable taking into account the available evidence.

Mr L is of the view that Admiral settled costs for damage beyond those caused by the incident. So, I've carefully considered Admiral's claim file to establish whether the costs it agreed to cover are reasonable and supported by sufficient evidence.

I recognise Mr L has shared that he had a witness present at the time who could confirm his account. However, this individual was a passenger in Mr L's car and so wasn't independent of the incident. But I recognise Mr L explained there was CCTV present at the scene. Where CCTV is present, I would typically expect an insurer to obtain this to investigate a claim, but given the circumstances, the liability of the claim wasn't something in dispute. While this may have recorded the incident, it may not have provided sufficient detail to show the specific damage caused. And so, I don't find it unreasonable for Admiral to decide not to pursue this.

I'm unable to share a specific breakdown of the costs settled, but I can see they include the repair work, a hire vehicle, and transportation of the third party vehicle to facilitate the repair. Having reviewed these, I've seen no evidence that the costs included repairs unrelated to the incident. And Admiral wouldn't look to cover costs it didn't think were related to the incident as it isn't in its interests to cover the losses it isn't liable for.

I don't find the costs settled to be unreasonable or inconsistent with the circumstances of the incident. The repair costs align with the damage shown in the photos, and the hire and transport charges are typical for this type of claim. And, as I have set out above, Admiral has the right to settle any costs it considers to be relevant to the claim, regardless of its policyholder's position – provided this is reasonable based on the evidence obtained, which I'm satisfied is the case here.

I think it would also be helpful to explain that, while insurers typically refer to claims as "fault" or "non-fault", the actual terminology is "no claim bonus allowed" or "bonus disallowed". The term "bonus disallowed" is used where an insurer has been unable to recover its costs from another party, such as a third-party insurer. So, as Admiral was liable to cover the third party vehicle's repairs, and was unable to recover the costs from another party, I'm satisfied it wasn't unfair for Admiral to record the claim this way.

In addition to this, it is important to note that the claim would've always been recorded as "bonus disallowed" given Mr L's acceptance of the damage to the wing mirror. While insurers do also consider the value of a claim paid when determining future premiums and cover, each insurer places different weights on different pieces of information when underwriting a new policy – and so I don't find that the amount recorded on this claim to have solely been the reason for any premium increase Mr L has experienced.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 4 February 2026.

Oliver Collins
Ombudsman