

## The complaint

Miss H complains about Admiral Insurance (Gibraltar) Limited (Admiral) seeking repayment of third-party costs they incurred when dealing with a claim arising from an accident in which Miss H was involved in July 2022. Admiral refused to deal with the claim from Miss H as she failed a roadside breathalyser test at the scene. Admiral declined the claim on the basis she had breached the terms of her policy by driving while under the influence of alcohol.

This decision covers Miss H's complaint to this Service in April 2025, following Admiral's pursuit of her for the third-party costs in October 2024 and then again in April 2025. This decision doesn't cover an earlier complaint brought by Miss H to this Service about Admiral's decision to decline to deal with her claim, which was the subject of a decision from this Service in March 2024. That decision was that this Service couldn't consider Miss H's complaint as she complained too late.

References to Admiral in this decision include their agents.

## What happened

As Miss H has previously complained to this Service, the following is a summary of events in this case.

In July 2022 Miss H was involved in an accident. She was breathalysed at the roadside and failed the test. She was taken to hospital for further tests. Miss H reported the accident two days later, telling Admiral the police attended, and she provided a positive breath test. Admiral cited a General Condition in the policy about cover not being provided for claims where the driver at the time of the accident was found to be above the prescribed legal limit of alcohol or drugs. The policy would also be cancelled. So, they declined to cover Miss H's claim, although they were required under the Road Traffic Act to deal with any third-party claims arising from the accident. While Miss H wasn't subsequently convicted of an offence, Admiral said this had no bearing on the application of the General Condition.

Following their decline of her claim and cancellation of her policy, Admiral wrote to Miss H in October 2024 seeking repayment from her of third-party costs they'd incurred on the claim totalling £16,485.29. However, Miss H initially ignored the letters. She then received a further, final reminder letter in April 2025 stating that her file had been passed to Admiral's claims collection team. The letter provided repayment options, including payment in full or payment plans such as 24 month or 36-month payment by instalments. If these options weren't suitable, Miss H could provide financial information to support her financial position, which Admiral would consider to help her budget the costs.

Miss H was concerned about the potential financial impact on her, including on her credit score. So, she raised a further complaint to this Service (April 2025). She wanted Admiral to drop pursuit of the costs, as she had not been expecting to be pursued for these costs. She also wanted Admiral to reverse their decision to cancel her policy and not deal with her claim for damage to her vehicle.

We asked Admiral to consider the new complaint points raised by Miss H (the third-party costs for which they were seeking repayment) but they didn't issue a final response within

the eight-week period allowed for businesses to respond. So, our investigator then considered the complaint.

Our investigator didn't uphold the complaint, concluding Admiral didn't need to take any action. He noted Miss H's concerns about Admiral's decision to decline her claim had been considered by this Service in 2023 and an Ombudsman had decided those concerns had been referred to this Service more than six months after Admiral had issued their final response. So, these points couldn't be considered by this Service again. He noted this Service could consider Admiral's decision to recover their third-party costs.

The investigator noted the policy terms were clear what would happen should Miss H be found to be over the legal limit for alcohol or drugs, which was that Admiral were required to meeting the obligations under the Road Traffic, to innocent third parties. The policy also provided for Admiral to recover any third-party costs they were obliged to pay out from Miss H (or any other insured person, if appropriate). The policy terms were clear, so Admiral were entitled to recover the costs, so they hadn't done anything wrong in pursuing Miss H for those costs.

Miss H disagreed with the investigator's view and asked that an ombudsman consider the complaint. She maintained she had been treated unfairly, as she wasn't convicted of any offence and the police hadn't taken any further action. So, it was unfair for Admiral to rely on the policy terms and conditions to decline her claim, as she maintained she hadn't breached the terms and conditions.

### **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 Miss H.

As I've set out earlier, this decision only covers those aspects of Miss H's complaint that were previously considered by this Service under her previous complaint. That earlier decision was that we couldn't consider Admiral's decision to decline the claim arising from the original accident as Miss H complained too late to this Service. Therefore, I won't be considering Admiral's decision on those issues.

So, the only issue for me to consider here is Admiral's decision to pursue Miss H for the third-party costs they incurred in settling those claims under their obligations set out in the Road Traffic Act. For completeness, the relevant terms of the policy are contained in the *General Conditions* section of the policy, as follows:

#### *11. Drink and drugs clause*

*If an accident happens while any insured person is driving and:*

- *Is found to be over the legal limit for alcohol and drugs*
- *Is driving while unfit through drink or drugs, whether prescribed or otherwise*
- *Fails to provide a sample of breath, blood or urine when required to do so, without lawful reason.*

*No cover under the policy will be given and instead, liability will be restricted to meeting the obligations as required by Road Traffic Law and we will cancel your policy."*

As far as Admiral's right to recover the costs they incurred in meeting the third-party claims arising under the accident, these are also contained in the *General Conditions* section of the policy, as follows:

*"6. Right of recovery*

*If an incident occurs which is not covered by this policy and we are required by the law of any country to make a payment, we can recover that amount from you or any other insured person."*

This wording would apply to payments made by Admiral to the third parties involved in the accident for which they were obliged to make under the provisions of the Road Traffic Act.

Admiral have also provided details of the payments they made to the third parties (of which they were three) that totalled the sum of £16,485.29. So, I've concluded they acted fairly and reasonably in seeking repayment of the sum from Miss H under the policy terms.

I've also noted their April 2025 letter provides options for Miss H to make the repayment, including other than through a one-off payment of the total amount. This includes payment by instalments or other arrangement if Miss H can provide details of her finances, which could enable an appropriate arrangement to be agreed. I think this is fair and reasonable.

Taking all these into account, I can't conclude Admiral have acted unfairly or unreasonably, so I won't be asking them to take any further action on this complaint.

**My final decision**

For the reasons set out above, it's my final decision not to uphold Miss H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 17 February 2026.

Paul King  
**Ombudsman**