

The complaint

Mr S complains that Admiral Insurance (Gibraltar) Limited has recorded an owed balance of £3,600 on his motor insurance policy following the recovery of his vehicle after a road traffic accident.

Some actions were taken by Admiral's agents during the history of this complaint. But for ease, I will refer to all actions as having been done by Admiral who is the underwriter of the policy and so responsible for the actions of its agents.

What happened

I previously issued my provisional decision on this case which was as follows –

The circumstances of this case are well known to both parties, but in summary, Mr S's vehicle was involved in a collision in November 2024 and so he contacted Admiral to inform it of this. The details of the incident were that Mr S's vehicle collided with a third party's property while used by a named driver. When Mr S contacted Admiral, he said he informed it that the named driver had failed a breathalyser test at the scene.

Mr S requested a roadside assistance company recover his vehicle and return it to his home address – however it instead took the vehicle to a storage facility. Admiral subsequently arranged the collection of the vehicle but paid £3,600 to the storage facility.

When Mr S looked to renew his policy, he was informed by Admiral that there was an outstanding balance of £3,600 which would need to be settled and was in relation to the recovery of the vehicle. Unhappy with this, Mr S complained to Admiral.

Admiral didn't uphold the complaint. It explained that it had collected the vehicle to avoid any further storage costs while it considered the claim and as the claim had been declined in line with the terms of the policy, it was entitled to ask Mr S to settle the costs it had incurred. As Mr S remained unhappy, he referred his complaint to this Service.

Our Investigator upheld the complaint as they were satisfied the costs Admiral had paid were something the breakdown assistance company was responsible for – and so recommended Admiral pursue the breakdown assistance company.

Admiral didn't agree and said it was entitled to recover its costs from Mr S following the decline of the claim, and that the fees it paid were due to an agreement between Mr S and the roadside assistance company to recover the vehicle. If the roadside assistance company failed to carry out Mr S's instructions or charged disproportionate fees, then he would need to pursue the roadside assistance company for these costs.

So, the case has been passed to me to decide.

What I've provisionally 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 S's complaint is less detailed than it was presented, but I'd like to assure both parties that I have carefully considered all submissions made for this complaint. My decision won't comment on each point raised or piece of evidence provided but will instead 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.

I also recognise that the situation has been particularly upsetting for Mr S. The very nature of a motor insurance claim can itself be quite distressing. While I am empathetic to the circumstances of the case, I must impartially and independently reach a decision on the case based on the facts presented to me.

Having reviewed all available evidence, I'm not minded to uphold the complaint. I'll explain why.

Relevant regulatory rules say firms must handle claims promptly, fairly, and mustn't unreasonably reject a claim. So, I have gone on to consider whether Admiral has acted fairly and reasonably, taking into account the relevant industry rules, the policy terms and conditions, and other available evidence.

The decision to decline Mr S's claim isn't something that is in dispute. So, I don't need to comment on this further. I therefore need to decide whether Admiral has acted fairly in the way it handled Mr S's claim, and whether it was reasonable for it to inform him there was an outstanding sum of £3,600 which it may look to recover.

The starting point with any insurance claim is the policy terms and conditions as this sets out the basis of cover between the insurer and its policyholder. Having reviewed Mr S's policy, I can see that Admiral has the right to recover any costs it incurs if it later declines a claim. This isn't unusual, as most motor insurance policies include similar wording. So, I don't find it unreasonable for Admiral to say it may pursue Mr S for costs it had incurred due to the incident as it later declined to cover the claim.

The policy also says that Admiral will arrange for the collection and storage of a vehicle following a claim. This enables it to complete its investigation, and prevents a policyholder from incurring significant storage costs. If a policyholder decides they don't want Admiral to collect the vehicle, they can request it doesn't, but the policyholder would be responsible for keeping the vehicle safe until it is repaired, as well as arranging it be moved at their own cost.

Mr S said that Admiral knew from the outset that the claim wasn't covered under the policy as he told Admiral the named driver had failed a breathalyser test from the outset. The claims notes, however, suggest that Mr S notified Admiral of the claim through its online platform, and this made no reference to the named driver failing a breathalyser test – nor did it say Mr S didn't want Admiral to collect the vehicle. So, on balance, I think it is reasonable to conclude the claim notification took place online, and that Admiral acted in line with the terms of its policy.

In any case, even if Mr S informed Admiral from the outset that the named driver had failed a breathalyser test at the time of the incident, I don't find that it would have materially changed things as Admiral has certain obligations under the Road Traffic Act to investigate and settle certain third party costs, even when a policyholder's claim isn't cover under their policy. So it isn't unreasonable that Admiral wanted to investigate the claim further to establish what losses it may be required to cover in line with its obligations.

When Admiral collected the vehicle from the storage facility, it paid £3,600. Mr S has said

these costs are disproportionate as he already paid a fee to the breakdown company to arrange the collection and transportation of his vehicle, but it failed to complete this and instead stored his vehicle at its site. While I appreciate Mr S's comments with respect to the level of fees incurred, this isn't something Admiral is responsible for as these were set by the roadside assistance company and its agent – who Mr S appointed. If he feels they are disproportionate, then he would need to refer these concerns to the breakdown company. Had Admiral not collected the vehicle, it's most likely these fees would've increased further, and Mr S would've had to settle these directly with the storage facility.

The costs incurred for the storage of the vehicle were due to an agreement Mr S had with the breakdown company. Admiral doesn't have a contractual relationship with the breakdown company – and wasn't involved in its appointment. However, under the terms of Mr S's policy, Admiral is entitled to pursue Mr S for costs it has incurred in the handling of his claim.

As Mr S's claim isn't covered under his motor insurance policy, Admiral has the right to recover its costs from Mr S, should it choose to do so. This includes the payment Admiral made to release Mr S's vehicle from the storage company, as well as any costs it is required to pay to any third party who has a successful claim under the policy.

So while I recognise my decision will be disappointing, I don't find that Admiral has acted unfairly here and I won't require it to take any action.

Replies

Admiral didn't respond to my provisional decision. However, Mr S did, and in summary said that he disagreed with the position because the recovery charges paid by Admiral were unreasonable and didn't reflect what actually happened.

Mr S also said several items on the invoice were unnecessary or incorrect, and that Admiral paid for services he had already arranged himself without checking with him first. Mr S also feels Admiral has not acted to challenge or recover the inflated costs, yet may still try to pass them to Mr S. Finally, Mr S maintained that he notified Admiral about the accident by phone, rather than online.

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've carefully considered Mr S's response to my provisional decision, but I've come to the same conclusion as I previously set out. I recognise this will be disappointing, but I'll explain why my position hasn't changed.

I recognise Mr S maintains that he raised the claim over the phone. Having reviewed all available information, I haven't seen any supporting evidence to show that a call took place at the time of the claim notification, however I have seen evidence of a call that took place after. In any case, I don't think this changes things for the reasons I've explained in my provisional decision above as ultimately it isn't unreasonable for Admiral to want to investigate the claim in full, taking into account its obligations under the Road Traffic Act.

The fees, and how they were set isn't something Admiral is responsible for and instead is the responsibility of the roadside assistance company, and its agents, who Mr S appointed. And so, this is something Mr S would need to raise with the roadside assistance company alongside any failures he has identified when recovering his vehicle. And even if I were to

agree with Mr S that the fees were unreasonable or incorrect, this doesn't lead to Admiral being responsible for them. And I reiterate that had it not collected the vehicle when it did, its possible the fees would've been higher given fees were accruing daily.

As Admiral reasonably declined Mr S's claim, which again isn't something that appears to be in dispute, it is entitled to recover its outlay from the policyholder should it decide to do so. And as Admiral has no contractual relationship with the roadside assistance company, it wasn't in a position to renegotiate any terms or agreement Mr S had entered into with it.

While I recognise Mr S will be disappointed with my decision, I don't find that Admiral has acted unfairly in its handling of Mr S's claim, and so I won't be making any directions in response to the complaint.

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 S to accept or reject my decision before 2 February 2026.

Oliver Collins
Ombudsman