

## **The complaint**

Mrs E complains about how Admiral Insurance (Gibraltar) Limited handled the notification of a claim against her under her car insurance policy.

Mrs E is represented in her complaint, but for ease I'll refer to her throughout.

## **What happened**

Mrs E had a car insurance policy with Admiral.

In December 2024 Admiral contacted her and said it had been told about a collision she'd been involved in. The claim seems to have been submitted to Admiral by the Third Party Insurer ('TPI').

Mrs E denied being involved. Admiral told her it would inspect her car for damage.

Admiral didn't inspect her car when it said it would. It paid an amount to settle the claim on a 'without prejudice' basis, and it 'closed' the claim. Because the incident had been reported just before Mrs E's 2024 policy renewal, Admiral changed her No Claims Discount ('NCD') to zero. The impact of the open claim and NCD meant her premium increased by £685.57, and Admiral took this money from her.

She complained to Admiral. It inspected her car and agreed there wasn't any damage or repairs relevant to the alleged collision. It reinstated her NCD and refunded £358.10. It agreed its service hadn't been good enough and said it would pay £250 compensation. Mrs E wouldn't cash the cheque it sent her.

Mrs E remained unhappy and brought her complaint to this service. She asks for compensation equal to the premium she paid, which was £1,898.51.

Admiral then increased its offer of compensation to £350. It also said the claim remained 'open' on Mrs E's policy, and when it recovered its costs, it would 'close' the claim as being "set up in error" which would mean Mrs E's premium should be recalculated.

Our investigator looked into her complaint and thought that Admiral's offer of compensation was fair.

Admiral agreed with the view but Mrs E didn't. She asked that her complaint was reviewed by an ombudsman, so it's been passed to me to make a decision.

## **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.

Having read the file of evidence, I'm upholding this complaint because Admiral's final offer of compensation was made after her complaint reached this service.

But, while I don't think Admiral's service has been good and that's led to Mrs E being put into detriment, I think its responses have been fair. So, I'm not going to ask Admiral to pay additional compensation or take any other actions.

I appreciate this will be a disappointment for Mrs E, and I'll explain why I've reached this decision.

This service isn't an expert on liability and it's not our role to make decisions about which party involved in a collision may be at fault. But what we can do is look at the way Admiral investigated the alleged collision and look at whether its actions were fair and in line with the policy wording.

Under the wording, Admiral has the ability under the wording to handle claims as it wishes, even if Mrs E disagrees. But its actions must be reasonable, and our approach is that an insurer must consider all the available evidence before it makes a decision on how to settle a claim.

I can see from the file that Admiral initially said it would inspect Mrs E's car in April 2025, which was around the time it received the file of information from the TPI. But it didn't carry out the inspection. I'm not able to see why this didn't happen, but I can see Admiral said it hadn't kept Mrs E up to date about how the claim was progressing. It further said that the inspection took about two months to report back once it had been done, which it acknowledged was a delay it caused.

While Admiral has an obligation to deal with claims swiftly, in order to keep its costs low, it must ensure it's acting fairly as I mention above. And I think its action in not carrying out the inspection, given Mrs E's denial of involvement in the collision, led to some detriment for Mrs E.

Admiral retrospectively adjusted her NCD to zero following the reporting of the claim. I can see it's now reinstated it, but Mrs E has still been impacted by the claim being recorded on her policy as 'open'.

I note that it's 'open' because Admiral has so far failed to recover its costs from the TPI. Admiral has said that it will record the claim as "set up in error" when it gets its money back.

I've thought carefully about this.

The details sent to Admiral from the TPI set out that a vehicle matching the description of Mrs E's, with her numberplate, and only a few miles from her home, caused a collision.

When an allegation is made like this, Admiral has a responsibility to consider the evidence supplied by the TPI (or the third party, or anyone else involved) about the collision.

It's also important I say that Admiral fairly recorded the claim against Mrs E's policy. This was the policy active at the time, which was for 2023-24. In turn what this means is that her premium for 2024-25 was adjusted to account for her loss of NCD and the making of a claim.

I've said above that I don't think Admiral acted fairly in how it failed to inspect Mrs E's car, subsequently caused a delay with the eventual inspection and also settled the claim with the TPI without further reference to her.

Admiral charged Mrs E a higher premium, but later allowed her NCD, which had the result of (roughly) halving the additional premium she paid. I think its decision to reinstate her NCD and adjust the premium in her favour was fair.

The remaining issue is due to the claim being 'open' on her policy record. I asked Admiral about the situation in March 2026 and it said it was still pursuing recovery from the TPI.

It seems to me I have to consider whether it would be fair to require Admiral to 'close' the claim, adjust the premium Mrs E paid, or that Admiral leaves the claim open while it pursues the TPI for the settlement it paid.

And having considered the evidence on file, I don't think I can fairly ask Admiral to close the claim, even though that would seemingly be in line with its actions on reinstating Mrs E's NCD.

The key reason for this is that the information provided by the TPI seemingly identifies Mrs E's car being responsible for some third-party damage. What this means is that Admiral needed to defend the allegation, and ultimately if the TPI won't pay Admiral back, then the case may reach court and/or be settled at some level of 'fault' against Mrs E's policy.

I'll explain further that 'fault' here means that Admiral wasn't able to recover all of the costs its paid out for the alleged collision, and doesn't necessarily mean fault 'on the road'. Although the TPI seems clear that Mrs E was responsible for the collision.

What this means is that I think Admiral doesn't need to close the claim and refund Mrs E. It's said that, when it receives full repayment from the TPI, it will close the claim as 'set up in error', and I think that's fair. Mrs E will also be entitled to a refund of the additional premium paid by her to Admiral and this service would support that.

If she's switched insurers, the closure of the claim may also mean she can ask for a premium adjustment from those companies too.

But it's important I say that, if Admiral doesn't recover the monies it paid to the TPI, then it's likely some level of fault will remain against her policy.

Once the claim is fully dealt with, Mrs E may be able to make a further complaint about this to Admiral, which may reach this service in due course.

I've also thought about Admiral's service during this claim. I can see it agreed to pay £350 compensation for Mrs E's distress and inconvenience. A situation such as the one Mrs E was alleged to have been involved in would have caused her distress and inconvenience regardless of the outcome, and its important I say Admiral needed to investigate and defend to allegation in line with its processes. But, as I think Admiral didn't carry out a reasonable investigation into the circumstances, then I think it needs to pay some compensation for Mrs E's additional distress and inconvenience I reasonably think it caused.

I've thought about this, and considered this service's guidelines on compensation, and I think the amount offered by Admiral is fair. So, I'm upholding Mrs E's complaint in respect of the £350 compensation, but I'm not going to require Admiral to take further action.

### **My final decision**

It's my final decision that I uphold this complaint.

I direct Admiral Insurance (Gibraltar) Limited to pay Mrs E a total of £350 compensation for the distress and inconvenience its poor claims handling caused her. I'm aware a cheque for £250 was previously issued, but not cashed, and I'd ask that Admiral verifies this and makes payment accordingly.

Admiral must pay the compensation within 28 days of the date on which we tell it Mrs E accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 2 April 2026.

Richard Sowden  
**Ombudsman**