

## **The complaint**

Mr T complains about how Admiral Insurance (Gibraltar) Limited handled and settled a claim made on his motor insurance policy.

## **What happened**

Mr T collided with the rear of another car when he said it stopped suddenly. Admiral then held Mr T liable for the collision and his No Claims Bonus (NCB) was reduced from two to zero years. Mr T was unhappy that Admiral didn't give him a chance to defend the claim and didn't consider his arguments. He said this had affected his NCB and future premiums. He was unhappy with Admiral's level of service.

Admiral agreed that its communication with Mr T had been lacking and there had been procedural failures. And it paid Mr T £150 compensation for this. But it maintained its liability decision.

Our Investigator didn't recommend that the complaint should be upheld. He thought Admiral had settled the claim in keeping with the policy's terms and conditions. He saw that it considered Mr T's further evidence, but this didn't change its stance. And he thought it had reduced Mr T's NCB in keeping with the policy's terms and conditions.

Mr T replied that he understood the policy's terms and conditions. He said he was unhappy about the consequences for him of Admiral's procedural and administrative failures. He said these prevented him from mitigating his losses. He wanted £1,800 compensation for his distress and inconvenience. Mr T asked for his complaint to be reviewed by an Ombudsman, so it's come to me for a final 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.

Mr T said this was his first experience of making a claim. I can understand that he may find the process confusing and stressful. Mr T said the incident occurred when the other driver braked suddenly. Mr T was unable to stop in time due to slippery road conditions and so he hit the other car in the rear.

Mr T thought the other driver was to blame but he thought Admiral had decided he was at fault before giving him an opportunity to defend the matter. He said he'd repaired his own car and didn't make a claim. He thought the other driver's claim was on hold and he wasn't aware it had been settled by Admiral until he came to renew his cover. I can understand that this must have been a shock for him.

The investigator has already explained that it isn't our role to decide who was responsible for causing the accident. This is the role of the courts. Instead, our role in complaints of this nature is simply to investigate how the insurer made the decision to settle the claim. Did it act fairly and reasonably and in line with the terms and conditions of the policy? And has it treated Mr T the same as someone else in his position.

As set out in Mr T's policy booklet, Admiral is entitled under the terms and conditions to take over, defend, or settle a claim as it sees fit. Mr T has to follow its advice in connection with

the settlement of his claim, whether he agrees with the outcome or not. This is a common term in motor insurance policies, and I do not find it unusual. Insurers are entitled to take a commercial decision about whether it is reasonable to contest a third party claim or better to compromise.

That said, we expect an insurer to reasonably investigate a claim and consider the evidence available before making a decision on liability.

The accident circumstances weren't in dispute. Admiral had no evidence to show that the other driver had caused the collision. After Mr T complained, it reviewed the decision and decided that Mr T's further submissions didn't change the outcome. And so I'm satisfied that Admiral reasonably investigated the claim and decided liability in keeping with the policy's terms and conditions.

I can see that Admiral agreed there had been failings in its processes:

- After the claim was raised, it made contact with Mr T, and he said he didn't want to make a claim for his repairs. Admiral said it would put his claim on hold. But it didn't explain that it was still dealing with the other driver's claim and this would be a fault on Mr T's record.
- Admiral didn't then respond to Mr T's further emails.
- And it didn't notify him that the claim had been settled and closed as a fault against him.

When an insurer makes errors, as Admiral accepts it has done here, we expect it to restore the consumer's position as far as it's possible to do so, and we expect it to compensate the consumer for the impact of the error.

Mr T later said the core of his complaint was that he had suffered consequential losses because:

*"My No Claims Bonus was reduced to 0 not because of the incident itself but because I was never given the opportunity to respond to the claim due to Admiral's repeated administrative failures".*

However, I disagree. This is because Admiral didn't have any evidence to show that the other driver was at fault. And so it couldn't defend the claim. So the outcome for Mr T wouldn't have changed if Admiral had told him it was settling the other driver's claim.

The effect on Mr T's NCB was that it remained at two years until the end of the policy year. And then when Admiral issued its renewal offer, it was recorded as zero years with the claim listed.

Mr T didn't have NCB protection on his policy. So I'm satisfied this was correctly recorded, in keeping with the policy's terms and conditions. I can't reasonably hold Admiral responsible for Mr T's decision to replace his car. So I can't say that Admiral's errors affected Mr T's position or that it needs to do anything further.

In terms of impact, Mr T was caused trouble and upset when he learned late that the claim had been settled and closed. Admiral paid him £150 compensation for this. Mr T said he had declined the payment. But I think that's fair and reasonable compensation as it's in keeping with our published guidance for the impact of such errors. I don't require Admiral to increase this.

### **My final decision**

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 8 May 2026.

Phillip Berechree  
**Ombudsman**