

The complaint

Mr O has complained about Admiral Insurance (Gibraltar) Limited. He isn't happy about the way it dealt with a claim under his motor insurance policy and about the poor service he received.

Any reference to Admiral includes any agents that it is responsible for unless specified.

What happened

Mr O's car was involved in an accident while being driven by an uninsured driver who Mr O allowed to use his car. The car ploughed into the front drive of a garden causing a lot of damage. As the car was driven by an uninsured driver Admiral looked to deal with the claim under its Road Traffic Act (RTA) obligations and then looked to recover its costs from Mr O. But Mr O didn't feel it had acted fairly here and that the third-party costs were too high, so he complained to Admiral about this.

Admiral explained its obligations under the RTA and maintained that it had acted fairly, and the outstanding costs were due. But it did acknowledge various failings and some poor service, and it offered £150 by way of compensation for this. But as Mr O remained unhappy, he complained to this Service.

Our Investigator's looked into Mr O's complaint but didn't uphold it. Although they appreciated Mr O was being pursued for a lot of money by Admiral following the accident they didn't think it had done anything wrong. And they thought that the £150 compensation offered for the poor service was fair.

As Mr O didn't agree the matter has been passed to me for review.

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 done so I can understand Mr O's position as he is being pursued for a lot of money here by Admiral as his car was driven by an uninsured driver. However, Admiral was duty bound to deal with the third-party claim under its RTA obligations, and I think it looked to treat Mr O in the same way as if he actually had cover with Admiral and it would have incurred the costs outlined by the third-party if he was insured. And I think that £150 compensation feels fair for the failings identified. I know this will come as a disappointment to Mr O, but I'll explain why.

I'd like to reassure Mr O that whilst I'm aware I may have condensed some of the complaint points in far less detail and in my own words, I've read and considered everything he's told us. I'm satisfied I've captured the essence of the complaint, and I don't need to comment on every point individually, or possibly in the level of detail he would like, in order to reach what I think is a fair outcome. This isn't meant as a discourtesy, but it simply reflects the informal nature of our Service.

What isn't in dispute here is that Mr O's car was driven by an uninsured driver with Mr O's permission and as no other insurance cover was in place Admiral had to deal with the claim

under the RTA as it insured the car. I know this has led to a very difficult position for Mr O and leaves him owing a lot of money, but he allowed the other driver to drive and they weren't insured. And so, the key point to consider is whether it was fair of Admiral to settle the third-party claim due to its obligations under the RTA and then seek to recover this amount from Mr O. And if so, whether the amount Admiral is seeking to recover is reasonable.

Mr O's policy makes it clear that *'we will not pay for any loss, damage or liability caused....by your vehicle being used by a person...not shown on your certificate of motor insurance'*. And as Mr O allowed his car to be driven here Admiral is obliged by law to deal with the third-party claim under the RTA but will look to recover its costs from the policy holder. The policy says, *'if an incident occurs which is not covered by this policy, and we are required by law of any country to make a payment, we can recover that amount from you'*.

I know Mr O disputes the amount Admiral is looking to recover from him and feels that the claim should be less, and Admiral should have defended his position and the costs incurred more. I can understand this, but it's clear that Admiral looked to act reasonably here and in the same way as if it wasn't looking to recover its costs from Mr O. I say this as it looked to reduce the full amount claimed by the third party by around £4,000 as it argued the proposed costs were too high for the claim, so I think it acted in Mr O's best interests here and prevented any adverse judgement against Mr O.

Mr O also raised concerns about the date of an invoice which was a lot later than the date of the incident. But I've looked at the invoice, and I haven't seen anything to suggest it isn't related to the accident. Often repairs, costs and invoices are finalised a while after incidents occurred or when the repairs were carried out and I haven't seen anything unusual here or anything to suggest the settlement was unfair.

Plus, I've seen photos of the damage caused during the accident when the car left the road, mounted the curb, crossed the public path and entered the third party's front garden causing a fair degree of damage – the third-party outlines damage to the front garden wall, plants, fencing, concrete posts, gate, shed and contents. And the third party appointed a loss adjuster and solicitor in advancing the claim which isn't unusual in looking at an insurance claim like this. Overall, I don't think Admiral could look to challenge the costs any more than it did – gaining a reduction of over 20% overall - given the third-party reports and costings.

I know there was a delay in Admiral seeking payment for the costs incurred but it took a while for everything to be settled and it has no control over the third party and any delay on their side. But Admiral had already put Mr O on notice that he would be responsible for the costs, and I don't think it did anything wrong here or prejudiced Mr O's position.

However, I do agree that there were some failings and poor service, especially around Admiral suggesting that Mr O failed to cooperate which wasn't the case. And Admiral's updates about what was happening fell short of what I would expect to see. But I think a lot of the stress and problems Mr O has faced stem from the accident itself and the fact that he wasn't insured and I can't hold Admiral responsible for this. So, overall, I think Admiral's offer of £150 compensation feels fair here as these issues didn't impact the claim or the amount being recovered.

Given all of this, I think Admiral's offer of compensation for the stress and inconvenience caused feels fair. And I don't think it has acted unfairly in settling the claim the way it has under its RTA obligations which is in line with the way it would have acted if Mr O was insured at the time of the accident. I'll simply leave Admiral to agree a fair recovery with Mr O and to pay him the agreed compensation if it hasn't already done so.

My final decision

It follows, for the reasons given above, that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 11 March 2026.

Colin Keegan
Ombudsman