

The complaint

Mr K complains that Admiral Insurance (Gibraltar) Limited (“Admiral”) mishandled a claim on a motor insurance policy.

What happened

The subject matter of the insurance was a hatchback car, first registered in 2003.

Mr K acquired the car in April 2025.

From May 2025, Mr K had the car insured on a comprehensive policy with Admiral. The policy schedule said that he had one year’s no-claims bonus (“NCB”).

Unfortunately, Mr K reported to Admiral that on 7 August 2025, while he was reversing the car, it made light contact with a third party’s parked vehicle, causing no damage.

The third party’s vehicle was first registered in 2022 and it was licensed for private hire. The third party made a claim against Mr K’s policy for damage to the front nearside of his vehicle.

On 11 August 2025, Mr K called Admiral and said that the damage to the third party’s vehicle was pre-existing at the time of the incident.

By early September 2025, Mr K had complained to Admiral including that it hadn’t investigated properly or updated him.

Admiral received an independent vehicle assessor’s report dated 15 October 2025.

By a final response dated 16 October 2025, Admiral turned down the complaint about investigation.

The final response included the following:

“In order to minimise the cost, we have settled the claim on a without prejudice basis, as further delays would have incurred additional costs. We have settled the claim however we are still continuing to dispute the damage.”

The final response accepted the complaint about communication. Admiral said it was sending Mr K a cheque for £150.00.

Mr K brought his complaint to us within a day or two.

Our investigator didn’t recommend (on 21 November 2025) that the complaint should be upheld. He didn’t think that Admiral had acted unreasonably by holding Mr K at fault for the incident, even though there was an ongoing dispute about what damage was caused.

The investigator thought that Mr K had experienced a drop in service, but overall, £150.00 was fair compensation for that.

Mr K disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- His car had pre-existing marks on its rear bumper.
- The third party's vehicle had pre-existing damage.
- His contact caused no new damage to either vehicle.
- The third party submitted an inflated claim for pre-existing damage.
- The higher the payout made by Admiral, the greater the impact on his future premiums from May 2026.
- Admiral didn't consult him before its engineer finalised a report.
- After he sold the car, Admiral said that an engineer inspection would have made matters clearer.
- The many hours he spent on calls attempting to resolve this matter caused significant stress and anxiety.
- By a letter dated 16 February 2026, Admiral included the following:

"Our assessors used the Third Party's engineer's report and the image of your vehicle to try and determine whether the damage was consistent or not. Unfortunately, they were unable to determine if the damage was consistent or not, and as we have admitted to reversing into the Third Party's vehicle, we cannot dispute the Third Party's vehicle damage claim any further."

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.

Scope of this decision

The Financial Conduct Authority's dispute resolution rules are binding on the Financial Ombudsman Service.

One such rule is that, before we can investigate a complaint, a consumer must first have made that complaint to the regulated firm and waited for up to eight weeks for a final response.

It sometimes happens that a consumer makes a complaint to the firm, receives a final response and brings the complaint to us – but with the addition of more recent complaint points. If that happens, then the rule allows us to investigate the initial complaint, but we can't deal with the additional points in the same investigation.

In Mr K's case, I consider that our investigator was correct not to investigate Mr K's later complaint points about acts, omissions and communications from Admiral after its final response. I don't consider that I can make any findings on those complaint points in this decision.

This decision

Different insurers assess risk and set premiums in different ways at different times. That said, many insurers often assess risk and set premiums at a higher level for drivers who

have been involved in a claim, particularly a fault claim. Often insurers place more weight on the existence of a claim rather than the amount paid.

Admiral's policy terms included the following:

"General conditions

...

Defending or settling a claim

We are entitled to:

- *conduct the investigation, defence and settlement of any claim on your behalf"*

The effect of that term was that, on a question of how best to deal with a claim involving a third party, Admiral's view would prevail over its policyholder's view. That's not uncommon in motor insurance.

I will consider whether Admiral treated Mr K fairly. Unlike a court, we don't hear evidence from each driver and decide the extent to which either of them is responsible for causing injury or damage.

At Admiral's request, Mr K provided a photograph of his car's rear bumper, showing some damage.

From its file, Admiral didn't discuss with Mr K on 11 August 2025 the option of instructing an independent assessor to report on the consistency of the damage to each vehicle.

However, I'm satisfied that on 14 August 2025, Admiral did tell Mr K that it had instructed such a report.

The third party's claim was supported by an engineer's inspection and report in August 2025. That included photographs of impact damage to the front nearside of the private hire vehicle.

That report said that the damage meant that the vehicle wasn't fit for use as a private hire vehicle. So I wouldn't find it unfair for Admiral to consider it unlikely that the damage pre-dated the incident and the third party had been driving the vehicle with such damage.

I'm satisfied that the independent assessor had the photographs of the damage to Mr K's car and the third party's vehicle. The independent assessor's report was inconclusive. So I don't accept that Mr K would've been in a better position if the assessor had physically inspected Mr K's car or heard him say that the damage pre-dated the incident with the third party's vehicle.

I'm satisfied that, by mid-October 2025, Admiral had done a reasonable and proportionate exercise in gathering evidence from Mr K, the third party and the independent assessor. I'm satisfied that it weighed up that evidence.

Admiral made a decision that, rather than incur the cost and risk of court proceedings, it would accept liability on a without prejudice basis but continue to dispute the amount of the third party's claim for damage. I consider that its decision was a reasonable one in all the circumstances.

Admiral has accepted that there were shortcomings in its communication. I've thought about those shortcomings and their impact on Mr K at an already difficult time for him. The impact included that Mr K felt that he had to chase Admiral more than ten times for progress and updates.

I keep in mind the nature and duration of that impact. I'm satisfied that £150.00 was fair and reasonable and in line with our published guidelines for compensation for distress and inconvenience.

Overall I don't find it fair and reasonable to direct Admiral to do any more in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Admiral Insurance (Gibraltar) Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 April 2026.

Christopher Gilbert

Ombudsman