

## The complaint

Mr C complains that Admiral Insurance (Gibraltar) Limited unfairly opened a claim against him under his motor insurance policy.

## What happened

Mr C had a motor insurance policy with Admiral. In October 2024, a third party contacted Admiral alleging Mr C had reversed his vehicle into him while he was walking along a pavement. Admiral opened a claim against Mr C.

Mr C said he didn't hit the third party however the claim remained open until June 2025. Mr C says the result of this was:

- His insurance premium increased from around £1,500 to £2,900 when the policy renewed in March 2025.
- He lost his No Claims Bonus (NCB).
- The open claim led to other insurance companies quoting higher premiums and cancelling his policies.

Admiral told Mr C it had recorded his information on the Claims Underwriting Exchange (CUE) database correctly and calculated his 2025 premium correctly. It offered him £75 to apologise for any distress and inconvenience he'd experienced.

Mr C didn't accept this and complained to this service. He said, in summary:

- The claim wasn't made until almost four months after the alleged incident and the third party provided no evidence to support it.
- Financial Conduct Authority (FCA) rules state Admiral should have concluded and closed the claim within eight weeks. It's unfair the claim remains open.
- The impact of the open claim is "*disproportionate*". His premium increased, he lost his NCB, and his CUE record "*misrepresents my driving history*".

He wants Admiral to close the claim and remove it from his insurance record. He also told us of the distress and inconvenience he has suffered because of this "*unproven*" incident.

Our investigator didn't recommend that the complaint should be upheld. He accepted Admiral's explanation that it had to open a claim once it was reported, and that it had to keep the claim open for a year. He thought Admiral had recorded the claim correctly as an open 'fault' claim against Mr C and didn't think it had treated Mr C unfairly.

Mr C didn't agree, so his complaint was passed to me.

## My provisional decision

I issued a provisional decision on this complaint on 27 January 2026. I said:

*“First, Mr C believes FCA rules mean that Admiral should have closed the claim eight weeks after receiving it. That’s not quite right. That FCA rule refers to complaints, not claims. It’s possible that some claims – especially if they’re complex – can take longer to settle. However, we’d expect Admiral to progress a claim promptly and treat its policyholder fairly. In this case, I don’t think it did. I’ll explain why.*

*The third party called Admiral on 10 October 2024. I think this was a difficult call for Admiral’s call handler. The third party frequently talked over him and struggled to understand what the handler told him. But he said he’d been walking along a pavement with his wife in June 2024 when Mr C’s vehicle reversed from an entrance and “knocked me over”. He provided a general description of the vehicle as well as the vehicle registration number. He also said the driver (Mr C) told him he was insured with Admiral.*

*Admiral’s call handler asked the third party why he didn’t report the incident in June. The third party replied: “I thought it’s all right I’ll be ok I won’t bother, but I’ve had a lot of difficulties since and it hasn’t got better you see and [inaudible] better to go for treatment.” He also said he’d “lost confidence” since the incident. The call handler explained that Admiral would assess the claim and ask Mr C for his version of events.*

*I’ve listened to the call with Mr C on 21 October. In that call Admiral’s claims handler referred to Mr C’s earlier account of the incident. The call handler said Mr C previously said he “heard someone yelling and you got out and asked if you’d hit them and the third party said no.” So it’s clear that Mr C spoke to Admiral before 21 October. A note on Mr C’s policy suggests this call might have been on 17 October and referred to Mr C hearing a “scream/shout”. We asked Admiral for a recording of this call but it didn’t provide it. However, I’m satisfied that during the 21 October call Mr C accepted that he reversed, didn’t see the two pedestrians (“they were in my blind spot”), but was adamant that he “didn’t hit anyone”.*

*I think it was reasonable for Admiral to log the incident when the third party reported it and ask Mr C for his response. But I think Admiral’s handling of the matter from that point was very poor.*

*First, I don’t see why it opened a claim in the first place. Admiral confirmed “there was no further contact from or with the third party” and it didn’t receive a personal injury claim. The third party had said the injury to his right arm and shoulder was “not visible” and confirmed that he didn’t call an ambulance or seek immediate medical attention. I think Admiral might reasonably have recorded the incident and waited for the third party to provide more information (for example, medical evidence of the injury) before it opened a claim, especially given the impact of an open claim on its policyholder.*

*Second, I think Admiral could have defended any claim relatively easily. As Mr C says, the third party’s position was incredibly weak. He didn’t seek medical attention, didn’t provide any medical evidence of the injury, and waited four months before contacting Admiral despite knowing Admiral was Mr C’s insurer.*

*Third, Admiral failed to follow up on the initial report. It didn’t hear from the third party again and confirmed to us that it didn’t try to contact him despite telling him its liability team would be in touch. I don’t think it was reasonable for Admiral to simply leave the claim open without taking any further steps to resolve it.*

*Admiral initially told us that “standard procedure was followed” and “the claim must remain open for one year from the date of last contact from the Third Party or their representatives.” However, it later told us “this is not a documented process”. The claim was closed on 4 June 2025 and recorded as “set up in error”. Given Admiral doesn’t appear to have a formal policy or process for this type of claim, and closed it less than eight months after its last contact*

*with the third party – apparently following an undocumented conversation between the claim handler and their manager – it seems clear that the relevant team had discretion to close the claim earlier than it did.*

*In short, I don't think Admiral should have opened the claim. And once it did, it should have closed it the claim much earlier. So I find that Admiral treated Mr C unfairly and this had a negative impact on him.*

*Admiral sent us detailed underwriting information about how it calculated Mr C's 2025 premium. This information is commercially sensitive and Admiral has asked us to keep it confidential, so I can't share it with Mr C. But it shows that the open June 2024 claim was the reason for the significant increase to his insurance premium between 2024 and 2025. It also shows that his 2025 premium would have been less than his 2024 premium if the third party claim had been closed or removed before the policy renewal in March 2025.*

*When a policyholder has an open claim at renewal it can sometimes affect their new premium. If it does, we'd expect an insurer to review and, if necessary, re-rate the premium when the claim is closed.*

*In this case, it looks like Mr C is no longer insured by Admiral. He should ask his current insurer to re-rate his 2025 premium. Based on what Admiral told us, this might result in a refund from his current insurer. I'd be grateful if Mr C confirms he's done this and provides his 2025 insurance policy details when he replies to this provisional decision. If he's unsure what this means, he should speak to our investigator.*

*Mr C also told us several insurers cancelled his policy(s) because of the open June 2024 claim. He hasn't sent us evidence of this, so I'd be grateful if he'd provide this when he replies to this provisional decision.*

*I think Admiral's communication with Mr C was also very poor. For example:*

- I think the 21 October call handler was wrong to tell Mr C that Admiral wouldn't defend the claim. I appreciate that he was trying to explain Admiral's general approach based on what a court might decide. But given no claim had been made, that Admiral only had very vague information about an incident four months earlier, and that the liability team hadn't yet assessed the incident, I think the call handler went too far. It's clear to me from the call recording that this caused Mr C distress.*
- Admiral's records suggest it didn't correspond with Mr C between October 2024 and March 2025. For example, there's no evidence that it asked Mr C to complete an incident report setting out his version of events. I note that Mr C told the call handler on 21 October that English wasn't his first language, so I think a formal report would have been helpful in this case.*
- Its final response to Mr C didn't address his concerns about the claim. And while it told Mr C it didn't uphold his complaint, it offered him £75 for the distress it had caused. I think Admiral's response to Mr C's concerns about the claim was inadequate.*
- It wrote to Mr C in June 2025 to tell him the claim had been "settled". I think this email was poorly worded and potentially misleading. In insurance claims, 'settlement' usually implies a financial payment. Mr C might reasonably have been concerned that Admiral had paid the third party to settle the claim, which would have impacted his insurance record and premiums.*

*In my opinion, Admiral should compensate Mr C for the distress and inconvenience it caused him. Having reviewed this complaint and considered what this service has awarded in similar circumstances, I think it should pay Mr C £400. If it has already paid the £75 it offered him in March 2024, it can deduct this from my award.*

*Finally, Mr C has asked Admiral to provide a letter confirming his no claims bonus because his current insurer won't accept its June 2025 email as proof. I don't think this is an unreasonable request and Admiral should provide this to Mr C as soon as possible."*

## **Responses to my provisional decision**

Admiral didn't agree with my provisional decision and asked me to reconsider my findings. It said, in summary:

- Any reported incidents result in a claim being opened. This is standard across the insurance industry.
- Mr C "*specifically recalled hearing a scream/shout, which made it reasonable for us to anticipate that a claim might be made.*"
- The "*incident*" was closed in June 2025, exactly a year after it happened. This shows the appropriate procedure was followed.
- It's not this service's role to assess liability. Admiral's claims team "*correctly assessed that defending the claim would be challenging given that the customer recalled hearing the third party scream/shout.*"
- It's standard practice for the NCB to be reduced while the claim is open.

Mr C acknowledged my provisional decision. He confirmed that he took out insurance with a different insurer in April 2025. He made no further comments.

## **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.

Admiral told us Mr C admitted he heard "*a scream/shout*". It said that's why it opened the claim and why defending it would be "*challenging*". We asked Admiral for the recording of the call where Mr C said he heard a scream but it didn't provide this. So I've got to rely on the recording Admiral did provide – the 21 October call. In this call, Mr C denied hitting anyone.

I think Admiral's evidence is contradictory. For example, it said it had to open a claim, but also said it "*anticipate[d] that a claim might be made.*" Its call handler told Mr C on 21 October that a claim hadn't been made. It told us it had closed "*the incident*".

It also said it had followed the appropriate procedure but told us there wasn't a documented process for this. It didn't ask either party for a written version of events, and never contacted the third party again or asked him for any medical evidence to support a claim. It simply opened a claim against Mr C in October 2024 and took no further action for seven months. So I think Admiral's assertion that the correct procedure was followed is clearly wrong.

I accept Admiral's point that it's not our role to determine liability. But I can consider whether Admiral's assessment of liability was fair. Given the circumstances – and for the reasons I set out in my provisional decision – I'm satisfied that it wasn't fair or reasonable to tell Mr C it wouldn't defend the claim.

For the reasons above, I see no reason to change my provisional findings. Admiral's handling of this incident was very poor and caused Mr C emotional and financial distress. It should compensate him for this.

Mr C didn't provide any further information so I'm unable to determine whether the open claim resulted in other insurers cancelling his policies, as he alleges.

However, Admiral told us that the open claim was the reason his 2025 quote was almost double his 2024 premium. As I explained in my provisional decision, I think it's possible his 2025 premium with his new insurer is higher than it should be because it was calculated when the claim was still open. Mr C should ask his new insurer to re-rate his 2025 premium now that the claim has been closed. It's possible this might mean a partial refund of his current premium. If his new insurer doesn't do this, Mr C should speak to our investigator.

### **My final decision**

My final decision is that I uphold the complaint and order Admiral Insurance (Gibraltar) Limited to:

- Pay Mr C £400 to reflect the distress and inconvenience this matter has caused him.
- If Admiral has already paid Mr C the £75 it offered him in March 2024, it can deduct this from my award.
- Provide Mr C with a letter confirming his no claims bonus.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 March 2026.

Simon Begley  
**Ombudsman**