

The complaint

Mr M complains about how Admiral Insurance (Gibraltar) Limited (Admiral) handled a claim on his car insurance policy.

Mr M is being represented by his wife in this complaint but as Mr M is the policyholder, and for ease, I've referred to him throughout.

What happened

In July 2025 Mr M's daughter accidentally damaged another car while driving Mr M's car. Mr M contacted Admiral to claim. Admiral said it wouldn't cover the claim as his daughter wasn't a named driver on Mr M's policy at the time of the accident.

Admiral said its policy terms made clear it wouldn't pay for any loss, damage or liability caused by his car being used by a person not shown on his certificate of motor insurance. It said it wouldn't be able to deal with any damage to Mr M's car as a result of the accident. It also said it would be entitled to recover from him any costs it may incur as a result of any third party's claims. Unhappy, Mr M complained about Admiral's handling of the claim.

In its response to the complaint, Admiral maintained it had declined Mr M's claim correctly. It said Mr M had removed his daughter from his policy in September 2024 to obtain a cheaper quote and it had found no evidence she was added back on the policy in April 2025 as Mr M had said. However, Admiral apologised for sending Mr M the renewal documents when he requested them after the accident in July 2025 as this incorrectly showed his daughter as a named driver. Admiral also apologised for the level of customer service provided. It said there had been a number of occasions where promised call backs weren't made. So, it sent Mr M £150 compensation via cheque for the distress and inconvenience caused.

Mr M referred his complaint to our Service. Our Investigator didn't think Admiral had declined Mr M's claim unfairly but she thought it should increase its compensation offer to £300 to account for the loss of expectation Mr M experienced when he received the wrong policy documents. Admiral accepted the Investigator's view. Mr M didn't. He said Admiral had caused him and his wife extreme distress and the £300 compensation wasn't enough. Mr M also said that if Admiral hadn't sent the wrong policy documents, he would've settled the repair costs privately with the third party.

As the complaint couldn't be resolved, it has been passed to me to decide.

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 M has made numerous points with regards to the issues involved in his complaint. However, I'm not going to respond to every single point made, and no discourtesy is intended by this. Instead, I've focussed on what I think are the key issues. Our rules allow me to do this and it reflects the informal nature of our Service. However, I'd like to reassure

Mr M that I've read and considered everything he's provided.

Firstly, I want to make clear that under this complaint I'm only considering the issues Mr M complained about in August 2025 and which Admiral addressed in its final response of September 2025. Mr M has raised concerns about the third party's costs Admiral has paid. But I'm unable to consider these concerns as part of this complaint because Mr M hasn't made a specific complaint about this to Admiral, and so it hasn't had the opportunity to consider or respond to these concerns. Mr M will need to raise this as a new complaint directly with Admiral. If he remains unhappy after that, he can refer this issue back to this Service.

Secondly, our Service cannot award compensation for distress or inconvenience that was suffered by members of Mr M's family, as they weren't policyholders. I don't doubt that Mr M's wife's experience of the poor service from Admiral was extremely frustrating and upsetting. But I can only award compensation for any unnecessary distress and inconvenience experienced by Mr M.

The relevant rules and industry guidelines say Admiral has a responsibility to handle claims promptly and fairly. So, I've considered the relevant rules, the policy terms and the available evidence, to decide whether I think Admiral treated Mr M fairly. The policy's terms and conditions say:

'We will not pay for any loss, damage or liability directly or indirectly caused or contributed to by:

1. Your vehicle being:

a. Used by a person or for any purpose not shown on your current Certificate of Motor Insurance.'

It's not disputed that Mr M's daughter was driving the car when the accident occurred and that she was at fault for causing it by unintentionally scuffing along a parked car. As she was not a named driver on the policy at the time of the accident, I'm satisfied that the above exclusion applies.

Mr M has said he added his daughter back on the policy during a call in April 2025 but he's been unable to evidence this further. Admiral has provided internal screenshots of its systems which show that no calls were made to it by Mr M in April 2025. So, I'm satisfied that Admiral declined to cover Mr M's claim for damage to his car fairly. However, Admiral had a liability towards the third party's losses under The Road Traffic Act 1988 (RTA), even where the driver concerned wasn't covered under the policy.

Mr M is unhappy that Admiral dealt with the third party's claim without consulting him. However, the terms and conditions of Mr M's policy make it clear that Admiral can take over the defence or settlement of any claim on Mr M's behalf. This is standard in the motor insurance industry and means Admiral didn't need the consent or agreement of Mr M in order to accept liability for the incident and settle the third party's claim. In addition, where the driver was using the car with the insured's permission, as was the case here, the RTA allows the insurer a right of recovery against the policyholder.

Lastly, Admiral acknowledged that its service could have been better. I understand the process has been upsetting for Mr M. He had to chase Admiral to get updates and some of his calls weren't returned. And I can appreciate his frustration when he was provided with the wrong policy documents in July 2025 which still showed his daughter as a named driver. I've thought about Mr M's argument that he would've settled the repair costs privately with the third party but for Admiral's mistake here. But as I've said above, Admiral is obliged to reach

out to third parties when it considers its insured is responsible for an accident. I can see that the third party accepted Admiral's services on 16 July 2025. So, I can't say Admiral acted unfairly in this respect.

All things considered, I think the £300 compensation recommended by the Investigator is fair, reasonable and proportionate to reflect Admiral's service failings and the impact on Mr M. I appreciate Mr M feels this amount doesn't sufficiently compensate him for the distress and inconvenience he experienced. But having considered what has happened, I think this amount is fair and in line with what I'd direct in the circumstances. This amount recognises that whilst Admiral could have handled the claim better, the outcome of the claim itself remains unchanged. And that Mr M would've inevitably experienced some level of distress and inconvenience due to the very difficult position he found himself in.

My final decision

My final decision is that I uphold this complaint. I direct Admiral Insurance (Gibraltar) Limited to pay Mr M a total of £300 compensation for the distress and inconvenience it caused. It can deduct the £150 it initially offered from the £300 award if this has already been paid to Mr M.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 April 2026.

Linda Tare
Ombudsman