

complaint

Mr W complains that Admiral Insurance Company Limited wrongly declined to apply an uninsured driver promise to a claim he made on his motor insurance policy.

background

Mr W was told by the police on 30 October 2018 that his parked car had been damaged in a 'hit and run' accident. The police had CCTV footage of the other car. They found that it had false number plates and were unable to trace the driver. Admiral said it had to record a fault claim against Mr W's policy. He had to pay his policy excess of £750 when the car was repaired. His no claims discount ("NCD") was affected and his premium rose at renewal.

Mr W said his claim fell under Admiral's uninsured driver promise. That meant his NCD shouldn't be affected, and Admiral should cover the policy excess. Admiral said in order for the promise to apply, the other driver had to be identified. It said it also needed details of the other car. Admiral said it could then check whether insurance for it was in place or not. Mr W said if the driver was using false plates, the car wasn't insured.

One of our investigators reviewed Mr W's complaint. She thought it very likely that the other driver wasn't insured, although she could see why Admiral said it couldn't be sure of that. She thought a strict application of the uninsured driver promise had led to an unfair outcome, so she said Admiral should treat the claim as meeting the promise. That meant refunding Mr W's policy excess and reinstating any NCD.

As there was no agreement, the complaint was passed to me for review.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The accident happened in October 2018, so the policy that applied at the time was the one in place for the period from November 2017 to November 2018. In that policy there are several references to the uninsured driver promise.

The *key features summary* says if a policy holder makes a claim in relation to an uninsured driver for an accident that wasn't the policy holder's fault, the policy holder will keep their NCD and Admiral will refund their policy excess. The *restrictions on cover* section says the other driver must be 'confirmed and identified as uninsured' in order for the promise to apply. And under *making a claim*, the policy says the other driver must be confirmed and identified as uninsured - *and* that the policy holder must have reported the claim to the Motor Insurers Bureau ("MIB") - which must have accepted the claim.

Mr W reported the incident to the MIB. But it said it was unable to assist, as the police had confirmed that the other driver couldn't be traced. It said the false plate on the other driver's car meant the identity of the vehicle couldn't be established.

As Mr W wasn't present at the time of the accident, he had no details of the other car or the other driver. He told Admiral that the police had identified the make and model of the car and had noted its registration. But Admiral said there was no point in it contacting the police, as they had already told Mr W that the car's plates were false, so it couldn't be traced.

I think that as Mr W wasn't able to provide the required details, he didn't meet the criteria set out in the 2018 policy for the uninsured drivers' promise to apply. Given the lack of those details, Admiral wasn't able to say for certain that the other driver was uninsured.

In many cases where an unknown driver has caused damage and is untraceable, the driver may well be insured. But here, we know for a fact that the other car had false plates. I think that makes it far more likely than not that the other car wasn't insured. In these particular circumstances, I don't think it's fair and reasonable for Admiral to rely on the policy terms in order to avoid applying the uninsured driver promise.

I note that in the policies that were issued in May 2018 and September 2018 the criteria Admiral set out for the uninsured driver promise are slightly different than those in the policy that applies to Mr W. Policy holders are required to do less under those policies.

Both 2018 policies say the other driver's details should be provided only *if possible*. And there's no reference to having to make a claim to the MIB that's accepted by it. Admiral says the September 2018 policy applied to Mr W's situation. But Admiral relied on the original policy's criteria in dealing with Mr W's claim. It said Mr W must provide the other driver's contact details and contact the MIB. If the new policy wording from September 2018 had been applied, I think the outcome would have been the same. It seems Admiral would still have required the other car's valid registration plate number, which Mr W didn't have.

As I don't think the way Admiral dealt with Mr W's claim led to a fair and reasonable outcome, I think it needs to put matters right. I think Admiral should refund Mr W's policy excess, restore his NCD and refund the extra premium he's paid due to the loss of NCD.

my final decision

My final decision is that I uphold this complaint. I require Admiral Insurance Company Limited to do the following:

- Restore Mr W's NCD
- Refund any extra premium charged to Mr W due to his loss of NCD
- Refund Mr W's policy excess
- Add interest to the two refunds, at the simple yearly rate of 8%, from the date of each payment to the date of settlement

If Admiral thinks it's required by HM Revenue & Customs to withhold income tax from the interest, it should tell Mr W how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 23 October 2019.

Susan Ewins
ombudsman