

complaint

Mr S has complained about Admiral Insurance Company Limited's handling of his motor insurance policy.

My references to Admiral below include its agents.

background

Mr S was in an accident that he says wasn't his fault. But Admiral paid the other driver's claim against Mr S's policy. Mr S complained about that and other aspects of Admiral's service.

On 3 August 2016 I issued a provisional decision. For ease, I've added that at the end of this decision. In summary I thought that Admiral had dealt with Mr S's complaints about witness statements, liability and the value of his car fairly.

But I didn't think it had dealt with his complaint about changing cars on the policy, or the premium rise that went with that reasonably. So I said Admiral should pay him £350 compensation.

In response Mr S asked for more time to provide additional evidence to support his arguments about the witness statement and liability.

Admiral thought my provisional award for compensation was too high. It said it had apologised to Mr S for not changing the cars on his policy. It added that it offered to spread his payments over four instalments. It said that was unusual for card payments which it usually insisted be made in one payment. It also said that if he felt his premium was too high he could have cancelled the policy sooner.

It said its claims department dealt with Mr S's letter of December 2015 in which he complained about not updating his policy. It said it didn't address those points because it didn't pass the letter to its customer service team, so they didn't have the chance to reply.

It also told me it had previously refunded Mr S £49.50 for the cancellation charge.

my findings

I've considered all the available evidence and arguments again to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm going to partly uphold it.

Mr S has asked for additional time to get a witness statement from the police. But I don't think that's fair. He first referred to the statement well over a year ago but he hasn't provided it sooner. Also it's my role is to look at whether Admiral acted fairly on the evidence it had in front of it. And, as I explained in my provisional decision, I think it did so. But, if Mr S does get new evidence he can ask Admiral to look at it then.

Admiral's said that my provisional award for compensation is too high. But I don't agree. When considering awards of compensation I look at the impact that a business' mistakes have had on a customer rather than the nature of any error or omission itself.

In this case Mr S had been involved in another accident. And he was shocked to find that because Admiral hadn't updated his policy, he was technically uninsured. So, even though his premium went up a lot. He felt he had to take it, in order that it would backdate his policy to cover him for the time of the accident. And he's painted a clear picture of how that left him feeling backed into a corner because of Admiral's mistake.

So, while Admiral apologised for its mistake, it's clear that Mr S felt he had no option to accept the premium Admiral offered and on its terms at a time when he couldn't afford those. I don't think Admiral's suggestion that he could have then cancelled his policy would reduce the sense of injustice he felt at being put in that position.

Then, when he complained about it Admiral didn't reply. So, it looked to Mr S as if Admiral had swept his complaint under the carpet. As far as Mr S was aware Admiral simply ignored that part of his complaint. He had no way of knowing that Admiral had failed to pass it to the appropriate staff to provide a considered response. And it's clear from his correspondence the extent to which the distress and inconvenience caused by Admiral's handling has upset him.

I commented in my provisional decision that Admiral said it would refund a cancellation charge of £49.50 but hadn't done so. Admiral has since shown me evidence that it has refunded the £49.50 cancellation charge. As that formed part of my provisional award for compensation I think it's fair to reduce the compensation by that amount.

It follows that I think Admiral should pay Mr S compensation of £300.50.

my final decision

For the reasons set out above I partly uphold the complaint.

I require Admiral Insurance Company Limited to pay Mr S £300.50 compensation. It should do so within 28 days of us telling it that Mr S has accepted my decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 26 September 2016.

Joe Scott
ombudsman

Copy of provisional decision

complaint

Mr S has complained about the way Admiral Insurance Company Limited has dealt with his motor insurance policy.

My references to Admiral below include its agents.

background

Mr S was in an accident that he says wasn't his fault. But Admiral paid the other driver's claim against Mr S's policy. Mr S complained about that and other aspects of Admiral's service.

The adjudicator thought Admiral had dealt with Mr S reasonably. Mr S didn't agree so the complaint's been passed to me for a decision.

my provisional findings

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, it's likely I'll partly uphold it.

Mr S has made a number of complaints which I've dealt with individually below.

witness evidence

Mr S said that a witness told the insurers that she'd seen the accident happen. But he says she contradicted that in her evidence to the police. He says that in her police statement the witness said she'd only heard the screech of brakes and the noise of the collision but hadn't actually witnessed the accident itself.

Admiral asked the police for an incident report. They provided limited information including that two witnesses had provided evidence. But the police didn't copy those witness statements in full.

So, Admiral doesn't know exactly what those witnesses told the police. Mr S hasn't provided a copy of the witness' statement to the police which he says contradicts the statement she gave to the insurers. But the evidence in the police report is that she was "*at [the] scene*". It doesn't indicate that she didn't see the accident. And in her statement to the insurer she clearly says she did see the accident and described how it happened.

Admiral hasn't seen any evidence, beyond Mr S's allegation, of a contradictory statement. So, I think it was reasonable for Admiral to give weight to the statement the witness provided to the other driver's insurer.

liability

Mr S is unhappy that Admiral settled the other driver's claim and held him at fault for the accident.

It's not our role to decide who's at fault for an accident. As that's ultimately the responsibility of the courts. Instead, we look at whether the insurer acted in line with the policy terms and conditions and whether its decision to settle a claim was reasonable.

Like almost all motor insurance policies, Mr S's policy gives Admiral the right to take over the defence or settlement of any claim as it sees fit. Our position is that insurers should make those decisions reasonably. In doing so insurers should think about whether they are likely to win if the claim went to court.

Mr S and the other driver gave different versions of how the accident happened. But the independent witness supported the other driver's version of events. And it's clear that Admiral was concerned that if the matter went to court a judge would favour the other driver's version of events, as he had an independent witness to back him up. And, as I've said above, I think it was reasonable for Admiral to give weight to that statement.

Also Admiral felt that the damage to both cars indicated that the accident happened how the other driver described it. So Admiral wasn't prepared to risk the costs of going to court. And it settled the other driver's claim. Mr S' policy allows Admiral to do that and I think it made that decision reasonably.

Also, as the matter hasn't gone to court, Admiral has offered to settle the claim on a "*without prejudice*" basis. So, if Mr S still wants a court to rule on the liability decision he can take that action himself.

total loss

Mr S is unhappy with Admiral's valuation of his car. He said it initially only valued it at £132, but later increased it to £500. He doesn't think Admiral dealt with him fairly.

When Mr S insured his car he valued it at £500. A trade guide gave a valuation of £565 for a car of that make and age. But the estimate to repair the car was almost £2,500 or roughly five times the value of the car. So it clearly wasn't economical to repair and I think it was reasonable for Admiral to decide it was a total loss.

Mr S says that Admiral's initial offer of £132 shows that it didn't treat him fairly. But I don't think he's right. Admiral noted that the car had previous accident damage and had once before been written off.

The trade guide's valuation of £565 is for a car in good condition. It gives other valuations for cars that aren't in good condition. That would include a car with a history of accident damage, and it valued such cars at £132. So I don't think Admiral's initial valuation was unreasonable.

Admiral's then agreed to increase the valuation to £500. That's slightly below the amount given in the trade guide. But it's the same amount that Mr S said his car was worth when he insured it. And, given the car's history of accident damage I think that's a fair amount in the circumstances.

changing cars on the policy and premium payments

After his car was 'written-off' Mr S asked Admiral to add a different car to his policy. Admiral agreed but didn't update his policy with the registration of the other car. And then didn't automatically renew the policy. So Mr S was unintentionally driving uninsured.

Mr S only found out after he had another accident. After Mr S contacted Admiral it realised its mistake. And, once he had agreed to pay the higher premium for his new car, backdated Mr S's policy, so he was covered for the period when he had the second accident.

Mr S is clearly unhappy that Admiral made this error and that it insisted on him paying the increased premium in only four instalments. But Admiral said that, apart from the initial phone calls when he raised the point, it didn't know that he was still unhappy about it. But I don't think that's right.

In his letter of 15 December 2015 Mr S expressed how unhappy he was with the matter and asked Admiral to investigate it. But I haven't seen evidence that Admiral replied to Mr S's complaint at the time.

Admiral's told us that, because of its mistake, it would refund the cancellation charge of £49.50 it had applied when Mr S no longer paid his premium. But it hasn't provided any evidence to show it's actually paid that to him.

Mr S said that the premium for the new car was considerably higher than his previous premium. He said that if Admiral had told him what the new premium was at the appropriate time he'd have looked for other cover.

But because he didn't find out about Admiral's mistake or the increase in premium until after he'd had another accident he wasn't in a position to look for cover with another provider. That's because a new insurer wouldn't have backdated cover to include the time he was uninsured. So he felt compelled to pay Admiral's premium.

Similarly, he felt that he had little option but to accept Admiral's offer to pay for the premium in four instalments. He believes that, if he'd arranged cover with a different provider, he could have negotiated payment over a longer period.

I've some sympathy with Mr S. Clearly he feels that Admiral's premium was too high. But he didn't know about it until he found out that he'd been driving uninsured. So he felt backed into a corner to accept both Admiral's premium and its terms of payment. And he believes those things wouldn't have happened if Admiral hadn't have made the initial mistake. Also Admiral didn't respond to this point when he complained about it.

So I can understand why this has been the source of some considerable distress and inconvenience for Mr S. So I think Admiral should pay him £350 compensation, which I think is fair and reasonable.

my provisional decision

For the reasons set out above it's likely that I'll partly uphold this complaint.

I will require Admiral Insurance Company Limited to pay Mr S £350 compensation.

Joe Scott
ombudsman