

complaint

Mr K complains about how Admiral Insurance Company Limited dealt with a claim against his motor insurance policy.

background

The background to this complaint was set out in my provisional decision of 21 May 2020, an extract of which is attached and forms part of this final decision, so I won't repeat that information here. Essentially, Mr K says that he sold his car to a motor trader, Mr F, *before* the incident which led to the other driver's claim. So, he doesn't think that Admiral treated him fairly in dealing with the other driver's claim.

my provisional decision

In my provisional decision, I explained why I thought that Admiral had made sufficient enquires to see if it was possible to redirect the other driver's claim. I said that I didn't intend to uphold Mr K's complaint.

responses to my provisional decision

Mr K provided an e-mail dated 19 June 2020 between Mr F and his insurer, which I'll refer to as "T". In that e-mail, T said that the vehicle *"would have been covered under your Motor Trade policy at the time of the accident 25/07//18."* T said that Mr F had provided evidence of a sales receipt which shows the sale between Mr K and the motor trader. T said that the motor trade policy in force at the time of the accident covered any vehicle in possession of the motor trader and its designated drivers to drive for motor trade use. It said it would deal with a third party's claim, but if any claim was redirected to it, it would strongly deny liability based on evidence from a witness.

Mr K said that Admiral hadn't done enough to redirect the claim. He says that he didn't authorise Mr F to drive his car under his policy and, due to an oversight, he didn't update Admiral immediately on the sale of the vehicle. Mr K says that the other driver should have obtained insurance details from Mr F at the time of the accident. He says that Admiral treated him unfairly and its actions have caused an increase in premium.

Admiral said that it relies on the earlier email of 2 August 2018, in which T said that it didn't insure the car at the time of the incident. It said that it hadn't seen a copy of a sales receipt showing a clear transfer of interest between Mr K and the motor trader. Admiral queried why T said in August 2018 that it didn't insure the car on the date of the incident and wondered whether the sales receipt was provided later. It also queried whether the sales receipt T had seen was the same as the one provided to this service, which wasn't on the motor trader's headed paper, didn't show the registration number and which I'd commented on in my provisional decision.

Admiral said that the motor trader had 14 days to give vehicle information to T and Admiral's searches of the motor insurance database revealed that it didn't do that. Admiral said that as it was the insurer at the time of the incident, it had to deal with the claim. The motor trader had refused to provide it with the details of its insurance when it contacted it direct.

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 e-mail of 19 June 2020 from T to the motor trader contradicts T's previous e-mail to Admiral of 2 August 2018, when it said that it didn't insure the car on the date of the incident. I haven't seen the evidence of sale T refers to in the recent e-mail. So, I don't know if it's the same evidence of sale Mr K provided to this service, which doesn't show the car's registration, or the price paid.

I don't know why T has changed its position, but its new position isn't consistent with its previous e-mail to Admiral in August 2018, or Admiral's searches of the motor insurance database.

Considering everything, I prefer to rely on T's earlier email to Admiral of 2 August 2018, as that was in answer to Admiral's specific question about whether it insured the car on the date of the incident and is consistent with Admiral's searches carried out around that time and later.

In any event, it's not for me to determine which insurer insured the car at the time of the incident. What I'm looking at is whether Admiral made sufficient enquires before dealing with the claim. For the reasons I've set out in my provisional decision, I think that it did. So, I remain of the view that it didn't treat Mr K unfairly in dealing with the claim.

my final decision

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 28 August 2020.

Louise Povey
ombudsman

extract of provisional decision

complaint

Mr K complains about how Admiral Insurance Company Limited dealt with a claim against his motor insurance policy.

background

On 25 July 2018, Admiral received notification of a claim arising out of an accident on that date involving the car it insured for Mr K. I understand that the allegation was that a Mr F, a motor trader, driving the car Admiral insured for Mr K, hit another driver's stationary car in the rear. Mr F wasn't insured under Mr K's policy.

Admiral contacted Mr K and he told it that on the day of the accident - before the accident happened - he'd sold the car to Mr F. Admiral made enquires, including contacting Mr F and an insurer for Mr F's business, but couldn't establish that Mr F had valid insurance in place. So, it proceeded to deal with the claim against Mr K.

Mr K says that, as the accident happened after he'd sold his car to Mr F, Admiral was wrong to deal with the claim. He says that the driver who made a claim is insured with Admiral, so he doesn't think it has investigated matters properly. Mr K says that his premium has increased because of this claim.

One of our investigators looked at what had happened. He said that Admiral hadn't done enough to redirect the claim. The investigator said that Admiral should redirect the claim and ensure that it isn't recorded against Mr K on any internal or external databases and provide Mr K with a letter of confirmation that it had done that. The investigator said that he hadn't seen that Mr K's premium had been affected by the claim.

Admiral didn't agree with the investigator. It said that it's unable to remove the claim, as it was the insurer at the time of the accident and there's nowhere to redirect the claim.

As there was no agreement between the parties, the complaint was passed to me, an ombudsman, to decide.

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.

The starting point is the terms and conditions of the policy, which say:

"Keeping your policy up to date

[...]

2. Please tell us immediately

[...]

- **if you sell your car"**

"We are entitled to:

- **conduct the defence or settlement of any claim on your behalf**
- *[...]*
- **Admit negligence for any accident or claim on your behalf."**

I don't think that Admiral acted unfairly in dealing with the other driver's claim. I'll explain why.

Mr K hadn't told Admiral that he'd sold the car. So, when Admiral received the claim, it told Mr K about it. Mr K said that he'd sold the car before the accident and that he would send Admiral evidence of the sale. But he didn't do so.

Admiral made several follow-up calls to Mr K and contacted Mr F and the insurer for Mr F's business. It also made several enquires over a number of months to the Motor Insurance Database, which is the central database of motor insurance policy information for all insured vehicles in the UK. That database didn't reveal that there was other motor insurance in place on the date of the accident.

I think that Admiral made sufficient enquiries to see if it was possible to redirect the other driver's claim. As the only valid policy in place was in Mr K's name, Admiral was obliged to deal with the claim.

In February 2019, almost seven months after the accident, Mr K provided this service with his evidence of the sale of his car. The note records the date of sale as 25 July 2018 and the time of the sale as "11.45" but doesn't record the car's registration or the price. It shows the buyer as Mr F's business. It's surprising that important information is missing when the buyer is a trader. It's not clear to me why Mr K didn't provide Admiral with this evidence before. Mr K says that the sale was in cash and he didn't deposit the cash into an account. I assume that would be a significant sum. On balance, I don't think that Mr K has shown that he sold the car before the accident.

Mr K provided this service with an e-mail dated 3 December 2018 from another insurer to the motor trader. That e-mail doesn't show that there was other insurance in place.

Under the terms and conditions of the policy, Admiral can conduct the settlement of any claim on Mr K's behalf. Considering everything, I don't think it was wrong to do that in this case.

Mr K says that his premium has increased because of how Admiral dealt with the claim. Admiral has provided me with confidential, business-sensitive information to explain how Mr K's premium was calculated. I'm afraid I can't share that with Mr K, but please rest assured I've checked it carefully. I can see that Mr K's premium increased following changes of car. I'm satisfied the premium Mr K was quoted has been calculated correctly and all of Admiral's customers in Mr K's position will have been charged a similar premium.

my provisional decision

For the reasons I've set out above, I don't intend to uphold Mr K's complaint.