

The complaint

Mr M complains that Admiral Insurance (Gibraltar) Limited ('Admiral') took too long to deal with his motor insurance claim.

I can see our investigator limited the investigation up to 18 March 2023, which is the date Admiral sent its final response letter to Mr M. On that basis, my decision only covers events up to that time. I understand Mr M has made a further complaint to this service as the claim remains unresolved and that the further complaint will be dealt with separately.

What happened

In July 2022, Mr M's vehicle was involved in an accident. Mr M lost consciousness and had little recollection of the incident. He told us he was required to give a sample of blood to the police for analysis as a routine check. I understand that a police investigation was opened into the accident.

Mr M then made a claim to Admiral. Admiral did not settle the claim because it said it was waiting for a police report into the accident. Mr M says he was then unexpectedly told that he may be liable for all recovery and storage costs for his vehicle, which exceeded £1,000 per month. He then arranged for the vehicle to be stored at his own property for a cost of over £500. The car is currently stored on a shared driveway. Mr M said Admiral settled a third-party claim and then told him that it may seek to recover those costs from him. Mr M told us that Admiral did not provide him with a courtesy car and that its communication had generally been poor.

Mr M complained to Admiral. By way of a final response letter dated 18 March 2023, Admiral accepted that there had been delays in its handling of Mr M's claim. It offered to pay £200 in compensation for those delays. Mr M said Admiral's delays had caused him stress and inconvenience.

Mr M complained to this service. Our investigator considered the matter but didn't think the complaint should be upheld. Mr M did not agree with that view and the matter was passed to me for an ombudsman's decision. I asked our investigator to request copies of correspondence between Admiral and the police and I have now considered that information.

In the meantime, I understand Mr M made a further complaint about Admiral to this service because his claim remains unsettled.

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.

I know Mr M will be disappointed with my decision, but I'm afraid I haven't upheld the complaint in respect of events up to 18 March 2023. I'll explain why.

The delay in Mr M's case appears to have arisen from Admiral's concern that he may have consumed alcohol on the day of the accident. On 11 August 2022, Admiral made a call note stating that Mr M told it he'd had at least three alcoholic drinks on the day of the accident.

Mr M disputes Admiral's note in this regard and said that he told the police he'd had a couple of drinks earlier in the day and not at least three.

It looks as though once the possibility of alcohol being a factor in the accident was raised, Admiral decided it needed information from the police about its investigation and the sample of blood Mr M gave to the police. Mr M argued that it was no longer necessary for Admiral to seek information from the police because by the time the complaint was brought to our service, the time limit to bring a prosecution had expired.

The terms and conditions that apply to Mr M's insurance policy say that where an accident occurs whilst an insured person was driving and they are found to be over the legal limit for alcohol or they were driving while unfit through alcohol, Admiral's liability will be limited to meeting its obligations as required by 'Road Traffic Law'.

In other words, Admiral may not cover any damage to Mr M's car if he'd been found to be driving over the legal alcohol limit or driving while unfit through alcohol. I appreciate Mr M's argument that the time limit to prosecute an offence may have passed, but the terms and conditions of the policy don't require a prosecution in these circumstances. With all of this in mind, I don't think it was unreasonable for Admiral to seek information from the police.

I've next looked at whether Admiral tried to obtain this information in good time. I can see that Admiral initially contacted the police on 11 August 2022. A response was received on 15 August 2022 saying that the investigation into the collision was not yet complete and that a police report was not yet available. It looks as though there was no further action by Admiral to chase the police report until 15 March 2023. I understand a response was then received from the police on 16 March 2023 to say the investigation into the accident was not complete.

It looks as though it took Admiral roughly six months to chase the police report. And I can see why that delay would have caused Mr M some frustration. But even if Admiral had been more proactive in contacting the police, I don't think there would have been a different outcome here because the police told Admiral that its investigation was still ongoing in March 2023.

Mr M was upset that Admiral said it may try and recover the costs it had paid to a third party for an alleged injury they incurred during the incident. Mr M said that he later found out the policy would revert to third party cover even if he wasn't covered. I understand that even where third party cover is in place, in some circumstances, it may be possible for Admiral to recover such costs from a driver.

Looking at Admiral's call note, it suggests Admiral told Mr M that it would try and cover the costs from him. I can see why Mr M would have been upset to hear this, but I can't say Admiral gave him information that was incorrect in that regard.

I can see Mr M was also upset that he'd had to arrange storage for his vehicle and said that moving the car to his own driveway had saved Admiral some cost. But as our investigator said, if there's a possibility that Admiral's liability may only be to third parties, I think it was probably wise for Mr M to move his car to mitigate potential future losses.

I know Mr M was concerned that Admiral did not provide him with a courtesy car. In looking at the terms and conditions that apply to the policy, it appears that a courtesy car would only be supplied whilst Mr M's vehicle was being repaired. I understand that Mr M's car hasn't been taken in for repair, so a courtesy car wouldn't be supplied in that situation.

Despite all of that, I do agree that Admiral's communication with Mr M could have been better. It looks as though internal reviews of the file were carried out roughly once a month with the outcome that the police report was still awaited. But none of this appears to have been communicated to Mr M. I can see why this would have caused Mr M some considerable uncertainty about what was happening with his claim and that this uncertainty would have resulted in stress.

Admiral would need to take action to put that right. I can see it paid £200 to Mr M to compensate him for delays and what it described as its 'poor levels of communication'. I'm satisfied that a payment of £200 up to that stage was reasonable in all the circumstances of this complaint.

On balance, as Admiral has already paid £200 to Mr M, I don't need to tell it to take any further action to put things right up to 18 March 2023. However, I must stress that Mr M's complaint about events after that date remains outstanding and will be dealt with separately by this service. I have not looked at or made any comment about events arising after 18 March 2023.

My final decision

I don't uphold Mr M's complaint about Admiral Insurance (Gibraltar) Limited up to and including 18 March 2023.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 2 January 2024.

Nicola Bowes
Ombudsman