

The complaint

Mr O has complained, stating in his complaint form, that Admiral Insurance (Gibraltar) Limited negatively impacted his credit score by the way it registered the amounts he was paying his premium for his motor insurance by instalments.

He said it failed to update the credit rating agencies accurately about the balance remaining on his policy. He also said its service was poor to include how a phone call was conducted.

What happened

Mr O decided to pay his premium for his motor policy by instalments. This means the balance owing is routinely registered with the credit rating agencies.

Initially, following Mr O's complaint, Admiral only upheld its poor service and offered Mr O £50 compensation for this. Following Mr O bringing his complaint to this service, Admiral then accepted that it had sent the wrong information to the credit rating agencies but had now corrected this. It offered Mr O a further £100 compensation.

The investigator thought Admiral's compensation was fair and reasonable. But Mr O disagreed as he's of the view his credit rating is still affected, so his complaint 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.

Having done so, I'm deciding this complaint along the same lines as the investigator. I think Admiral's compensation to Mr O is fair and so I won't be asking it to do anything further. I'll now explain why.

First, I must make it clear to Mr O that I am only considering his complaint against Admiral in this decision. So, in this decision I can't consider the actions or the lack of actions of any credit rating agency about his credit score, or indeed the difficulty in getting the credit rating agencies to send over the correct documents.

The reason for this is quite straightforward. We can only write a decision against one business at a time as that forms the legally binding outcome between that business and the consumer when or if a consumer accepts it. So, no decision can be written against multiple different businesses even though a consumer might have a complaint arising out of the same circumstances against several businesses. In that situation the consumer must set up a different complaint against each business separately. And Mr O is free to discuss his complaints against the other businesses with the investigator so that they can be pursued if Mr O wishes.

I'm aware as this complaint developed, Mr O made complaints to the credit rating agencies, but those complaints are not being considered in this decision. I am merely dealing with what if anything, Admiral did wrong.

It's normal industry practice to register the payment of premiums for an insurance policy by instalments with credit rating agencies. Initially, Admiral didn't think it had made any mistake in the figures it had given to the credit rating agencies about how much Mr O still had to pay for his premium. And then it discovered it had made an error which it then corrected. And because its service to Mr O was poor in the way it handled a phone call, it offered him £50 compensation. Also, because it made an error in the figures it sent to the credit rating agency, it offered Mr O a further £100 compensation.

When we look at these sorts of complaints where the business such as Admiral here, made an error, we look to see if it corrected it. Here Admiral did that. Which is what I would have expected it to do. So, when Admiral corrected its mistake, there's little else it can then do. I also consider it is reasonable Admiral paid Mr O compensation for its mistake. Because its mistake clearly caused Mr O distress and upset, and the compensation offered reflects that in my view. So, I think the amounts paid by Admiral for compensation are fair and reasonable. This is because the amounts are in line with our stance on the matter, and further in line with what I have awarded in other cases in similar circumstances.

Mr O believes that the incorrect figures sent by Admiral to the credit rating agencies negatively impacted his credit score. The credit agencies finally sent through all the relevant reports, and I've examined them in detail as did the credit agencies themselves. The credit agencies believe that a 'hard' search listed as being done by a mobile phone company, is the reason Mr O's credit rating dipped and not anything that Admiral did and then corrected. If it helps Mr O, lenders receive the credit ratings from the varying credit reference agencies when considering a consumer's wish for a loan. But each lender has its own individual criteria to decide whether to grant the loan or not. It's never just solely based on any individual score from a credit reference agency. The decision is made on whatever each lender thinks is important.

However, given this evidence from the credit rating agency on what they believe caused his credit rating to dip, there is nothing else to show me that in fact Admiral's error had any negative impact on Mr O's credit rating. So, on this basis I don't consider Admiral has to do anything further.

My final decision

So, for these reasons, it's my final decision that I uphold this complaint for compensation only.

I now require that Admiral Insurance (Gibraltar) Limited pays Mr O the total sum of £150 compensation it offered him, £50 before the complaint came to us and £100 after the case came to us.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 30 November 2023.

Rona Doyle
Ombudsman