

The complaint

A has complained about the amount paid by Admiral Insurance (Gibraltar) Limited in settlement of its claim under a motor insurance policy. A is represented by a director of the company, who'll I'll refer to as Mr S.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute, so I'll focus on giving the reasons for my decision.

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 agree with the conclusions reached by the investigator for these reasons:

- I've checked the relevant trade guides and I'm satisfied the market value of A's vehicle used by Admiral to settle the claim was correct.
- I'm satisfied that when Mr S took out the policy, which was – in effect – on behalf of A, he failed to make a fair presentation of the risk in accordance with his obligations under The Insurance Act 2015. This is because he said he was the registered keeper of the vehicle to be insured when the registered keeper was actually the lease company. And I'm satisfied this is what is termed a 'qualifying breach' and that this gave Admiral the right to settle A's claim proportionately and only pay 90.49% of the amount due under the policy.
- I'm satisfied that Admiral actually paid the full amount due under the policy for A's vehicle to the lease company in error. And this meant A was left with a much smaller outstanding balance to pay on the lease than would have been the case if Admiral had paid the right amount.
- I can also see Admiral paid a further £2,577 to Mr S towards his deposit when it had already paid the full amount due under the policy.
- I'm not persuaded there was a GAP policy in place that would have covered any shortfall on the lease if Admiral had paid a lower amount to the lease company.
- In view of all of this, I do not consider A has lost out financially as a result of the way Admiral settled its claim.
- I'm satisfied what Admiral has paid in compensation for distress and inconvenience as a result of their poor handling of the claim is fair and reasonable.

My final decision

For the reasons set out above, my final decision is that I do not uphold A's complaint about Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 4 October 2023.

Robert Short
Ombudsman