

The complaint

Mr B complains that Admiral Insurance (Gibraltar) Limited settled another driver's claim against his motor insurance policy and gave him conflicting information.

What happened

Mr B was involved in an incident with another driver, but he said no damage had been caused to the other driver's car. But Admiral thought Mr B was at fault, so it contacted the other driver and offered to make repairs to minimise its costs. Mr B was unhappy as he thought the claim was fraudulent.

He was also unhappy that Admiral gave him incorrect information about the cost of the claim and about the effect on his No Claims Discount (NCD). Admiral agreed it had provided incorrect information and it offered Mr B £50 compensation for this.

Our Investigator didn't recommend that the complaint should be upheld. He thought that Admiral was entitled to settle a claim as it saw fit, in keeping with the policy's terms and conditions. He thought the compensation it had paid Mr B for the incorrect information was fair and reasonable.

Mr B replied that photographs proved that no damage had been caused to the other driver's car. He said Admiral had refused to provide him with information about the repairs carried out to the other car. He was unhappy that this claim had affected his NCD.

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.

Mr B has provided us with his version of events. He said he was driving past a stationary car when there may have been contact, perhaps with the wing mirrors. He said neither driver could see any damage at the time. And he took a photograph of the other car, showing no damage. He then reported this to Admiral as required by his policy's terms and conditions. Admiral then contacted the other driver and offered to repair any damage caused. And the other driver accepted this offer.

I can understand that Mr B feels frustrated that Admiral has settled the other driver's claim when he thought he hadn't caused any damage to his car. But it isn't our role to decide who was responsible for causing any damage to a car. This is the role of the courts.

Instead, our role in complaints of this nature is simply to investigate how the insurer made the decision to settle the claim. Did it act fairly and reasonably and in line with the terms and conditions of the policy? And has it treated Mr B the same as someone else in his position.

Admiral is entitled under the terms and conditions of its policy with Mr B to take over, defend, or settle a claim as it sees fit. Mr B has to follow its advice in connection with the settlement of his claim, whether he agrees with the outcome or not. This is a common term in motor insurance policies, and I don't find it unusual. Insurers are entitled to take a commercial

decision about whether it is reasonable to contest a third party claim or better to compromise.

That said, we expect an insurer to reasonably investigate a claim and consider the evidence available before making a decision about a claim.

The evidence that Admiral had to consider was Mr B's version of events, the photographs he provided and the damage to the other car. I can see that when Mr B notified Admiral of the incident, he said that he accepted liability as a very minor collision may have occurred. Mr B was the moving party whilst the other driver was stationary. So he would be held at fault.

Mr B told us that he exchanged details with the other driver and offered to deal with any repairs privately if they were needed. So I'm satisfied that he was aware that the cars had made contact, that he was liable and that some damage may have occurred albeit it wasn't visible on their inspection.

So I think, in keeping with industry practices, Admiral contacted the other driver to offer to deal with any repairs at its approved repairers. This would minimise any costs and I think that was fair and reasonable. The estimate of the damage and repairs provided by the repairer was consistent with the described incident.

And so I think Admiral then reasonably paid for these repairs and the subsequent hire costs. I can see that our Investigator has already provided further information about the repairs to Mr B.

Mr B sent photographs to Admiral, but I can see that when Admiral reviewed them with Mr B it wasn't able to zoom in clearly on the alleged affected areas. Mr B thought the photographs hadn't been reviewed when he first sent them in. But I haven't seen evidence of this. I have seen that they were attached to a different part of the file and may not have been evident to the call handler Mr B spoke to, hence they were requested again.

I can understand Mr B's frustration. But I'm satisfied that Admiral wouldn't pay any claim unnecessarily. I think it sufficiently investigated the claim and considered the evidence available before dealing with the other driver's repairs. And I'm satisfied that it's entitled to do this by the policy's terms and conditions to minimise its outlay. So I can't say that it did anything wrong in this.

The effect on Mr B was that his NCD for this car reduced to zero from one year. I can see that there was some confusion when Mr B asked for the effect on his NCD as he was using some of his NCD entitlement on another car. Mr B's NCD was unprotected. So I think his NCD was correctly reduced.

Mr B had asked Admiral for the cost of the claim, and it provided different amounts. I can see that these were correct at the times they were provided, but I think Admiral could have explained this more clearly. Admiral offered Mr B £50 compensation for these errors, and I'm satisfied that this was fair and reasonable as it's in keeping with our published guidance for the impact the errors had.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 October 2023.

Phillip Berechree
Ombudsman