

## The complaint

Mr J has complained that Admiral Insurance (Gibraltar) Limited failed to properly investigate liability for an accident on a claim he made under his motor insurance policy.

## What happened

Mr J's motor insurance policy was underwritten by Admiral. One of the named drivers on the policy was involved in an accident and the claim was eventually settled by Admiral on a fault basis. Mr J complains that Admiral failed to contact the eyewitness and instead just accepted the third-party insurer's version of events. He says his renewal premiums have increased unfairly because of this.

Admiral says it based its claim decision on the version of events provided by the named driver and that its decision was communicated, and confirmed in writing, promptly at the time. Admiral did however accept that it didn't contact the witness before reaching its decision and that there were delays and communication issues. It offered Mr J £125 as compensation for the impact of these errors.

Our investigator thought Mr J's complaint should be upheld. She said Admiral needed to carry out a thorough investigation into liability but had failed to do so. She said Admiral should complete a more thorough investigation, settle the claim on a split liability basis (if possible), refund the policy excess as a gesture of goodwill and that it should increase the compensation offered to Mr to J £300.

Mr J accepted our investigator's opinion, but Admiral didn't. It agreed with the increased compensation but maintained its decision on liability was correct based on the circumstances of the accident.

So, as no agreement had been reached, the complaint was passed to me to decide.

I was minded to reach a different outcome to that of our investigator. So, I issued a provisional decision to give the parties the opportunity to respond before I reached my final decision. Here's what I said:

### ***"What I've provisionally 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 intending to reach a different outcome to our investigator. I'll explain why.*

*Mr J's policy entitles Admiral to conduct the defence and settlement of any claim on his behalf. That means Admiral can decide whether to accept liability for the accident or not. However, our service would expect Admiral to conduct a suitably thorough investigation before making any such decision.*

*It's not in dispute here that Admiral failed to thoroughly investigate the claim. There was an eyewitness to the accident whose details it was provided with, yet no contact was made. Admiral has apologised and offered compensation for this.*

*Despite this, Admiral maintains its liability decision was correct based on the circumstances of the accident. It says the named driver was conducting a manoeuvre when contact was made, so had the responsibility for making sure it was safe before proceeding. It acknowledges that Mr J says the third party admitted fault at the scene but says this can't be proven or relied on.*

*In circumstances like this, where an insurer hasn't carried out a suitably detailed investigation, I need to consider how likely it is that the outcome would be fundamentally different, if it had done so.*

*In this case, Mr J and the named driver have confirmed that the named driver was in the process of a manoeuvre, and in motion, at the point of impact. This means the named driver was responsible making sure it was safe before pulling out of the bay and conducting each stage of the manoeuvre. So, even if Admiral had contacted the witness, on balance, I think it's more likely than not that the conclusion would still have been that the named driver was at fault.*

*I know Admiral told Mr J it should have tried to pursue a split (50/50) liability claim, despite already having accepted liability. But even if Admiral would have been able to prove the third-party driver was equally at fault, which I think is unlikely, a split liability claim is still recorded as a fault claim, and so would still have had the same impact on Mr J's renewal premiums. So, Mr J wouldn't be in a fundamentally different position now, even if Admiral had conducted a better investigation.*

*Based on the above, it follows that I'm not intending to direct Admiral to take any further action to investigate the claim or to change its liability decision. This also means Admiral doesn't need to refund the excess.*

*However, Admiral has accepted it caused a loss of expectation when it suggested pursuing a split liability, despite having already accepted liability, and that its delays and communication issues caused undue distress and inconvenience. It has accepted our investigator's suggestion of £300 compensation. Taking everything into account, I agree that £300, in addition to Admiral's acknowledgement of fault and its apology, are sufficient to fairly resolve this complaint. So, I'm minded to direct Admiral to pay Mr J that amount – if it hasn't already done so."*

I asked both sides to provide any further comments or evidence they wanted me to consider, before I reached my final decision.

Admiral responded to confirm it had nothing further it wanted to add.

Mr J didn't respond, and the deadline to do so has now passed, so I'm proceeding with my final 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.

I've also thought carefully about any responses to my provisional decision. However, in this case, neither party has provided any additional comments or evidence for me to consider. So, in the absence of any new evidence or arguments, I've reached the same conclusions I reached in my provisional decision – and for the same reasons.

### **My final decision**

For the reasons I've explained above, and in my provisional decision, I uphold Mr J's complaint in part.

Admiral Insurance (Gibraltar) Limited must pay Mr J a total of £300 compensation for the distress and inconvenience it has caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 9 August 2023.

Adam Golding  
**Ombudsman**