

The complaint

Miss P complains about how Admiral Insurance (Gibraltar) Limited handled a claim made on her motor insurance policy. She wants her car repaired and compensation for the trouble and upset caused.

What happened

Miss P notified Admiral about an incident involving another driver. She wasn't sure if she wanted to claim on her policy at that point. But Admiral told her it would still need to record the incident in case the other driver made a claim. Admiral then sent Miss P an email stating incorrectly that her No Claims Discount (NCD) would be unaffected. The agent realised the error and called Miss P to correct this.

Miss P later made a claim, and her car was deemed to be beyond economical repair. Miss P cancelled the claim when Admiral told her it would collect the car's salvage and cancel her policy. Admiral decided to split liability based on dashcam footage. But Miss P thought she had been given incorrect information and limited guidance and she thought the liability decision had been rushed. She complained to Admiral about this and the anxiety it had caused.

Admiral agreed it had made mistakes. It thought it should have given clearer information about the investigation and effect of the claim on Miss P's NCD. It thought its call waits had caused delays and poor communication. And it thought it could have done more to support Miss P when she made a claim, and when it made its liability decision. Admiral paid Miss P £250 compensation for the trouble and upset caused. But Miss P remained unhappy.

Our Investigator didn't recommend that the complaint should be upheld. He thought Admiral had reasonably compensated Miss P for the impact of its errors. And he thought its liability decision was fair and reasonable and made after reasonably considering the evidence and in keeping with the policy's terms and conditions.

Miss P replied that she thought Admiral hadn't treated her justly. She thought it had paid her insufficient compensation. She asked for an Ombudsman's review, so the complaint has come to me for a 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 was sorry to hear about the accident and its effect on Miss P. I can understand that it must have been a shocking experience. And I can understand that she has found the experience of the claim stressful.

Miss P was unhappy as she thought Admiral rushed its decision about liability for the accident. I can see that it made its decision in a few hours. The investigator has already explained that it isn't our role to decide who was responsible for causing the accident. 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 Miss P the same as someone else in her position.

Admiral is entitled under the terms and conditions of its policy with Miss P to take over, defend, or settle a claim as it sees fit. Miss P has to follow its advice in connection with the settlement of a claim, whether she 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 its decision. The evidence Admiral had to consider was the dashcam footage that Miss P had obtained from the other driver's company and photographs she had provided of damage to her car. And it considered Miss P's obligations under the Highway Code. There were no independent witnesses.

From the footage, Admiral thought both vehicles had veered towards each other before they collided. And it thought Miss P was obliged to make allowance for the larger vehicle. So Admiral decided that the best possible outcome would be a split liability decision.

I'm satisfied that was reasonable in the circumstances. Admiral had warned Miss P that the dashcam footage would be important, and I think it reasonably made its decision based on it. So, although the decision may appear to be rushed, I don't think Admiral did anything wrong in this.

Admiral then made the split liability offer to the other driver's insurer, but from what I can see, it didn't receive a reply. As Miss P later withdrew her own claim for repairs, then Admiral had no outlay to recover. So the claim could eventually be closed with no effect on Miss P's NCD.

Admiral had emailed Miss P when she notified it of the accident that this wouldn't affect her NCD. But this was then incorrect. However, its agent noticed this and promptly called Miss P to correct the error before she read the email. So I think this error didn't cause Miss P any harm.

When Miss P decided to make a claim, Admiral assessed her car and told her that it would be beyond economical repair. I think Admiral had reasonably explained the various options Miss P had and their consequences when she first notified it. But the result was that Admiral then sent Miss P an email saying that its agent would collect her car for salvage. And, in keeping with the policy's terms and conditions, her policy would be cancelled.

Miss P needed to retain her car and it had to be insured. But I can't say Admiral did anything wrong in declaring it a total loss based on the likely repair costs. And Admiral is entitled, in keeping with the policy's terms and conditions, to decide how to settle a claim. So I can't say that it should repair the car. But I can understand this must have been a shock for Miss P, and I think Admiral later acknowledged this.

Miss P then decided to withdraw her claim. She said she felt forced to do this. But I can't see that Admiral compelled her. I'm satisfied that it acted fairly and reasonably and in keeping with the policy's terms and conditions. The car passed its MOT, and Admiral sent Miss P a letter stating that the claim was closed, her car wouldn't be collected, and her policy wouldn't be cancelled. I think that was fair and reasonable.

Admiral agreed that it had made errors in the handling of Miss P's claim. Miss P had told it of the effect of the accident on her, but it said it hadn't sufficiently taken this into account in its correspondence with her. It said its communications had caused delays. Admiral paid Miss P £250 compensation for the impact these errors had. I'm satisfied that's in keeping with our published guidance, so I think that's fair and reasonable. And I don't require Admiral to pay Miss P any further compensation.

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 Miss P to accept or reject my decision before 1 September 2023.

Phillip Berechree
Ombudsman