

## **The complaint**

Mrs D complains about the price charged by Admiral Insurance (Gibraltar) Limited ("Admiral") to renew her car insurance policy and about recording an incident as a claim. She also complains about the customer service when she called them to discuss the price.

## **What happened**

Mrs D's car was damaged while parked and unoccupied. Mrs D reported this to Admiral for information only as, having obtained details of the third party, she intended to claim against them directly. Mrs D then received a renewal invite and noticed the price had increased and noticed her policy documents were showing a claim had been recorded. Mrs D complained and said Admiral had recorded the incident against her policy which had led to the increase in price. Mrs D also complained about staff at Admiral being rude and unhelpful when she queried the price increase. Admiral responded and explained, as the insurer, they must be notified of any incidents involving Mrs D's car, whether she wishes to make a claim or not. Admiral explained any incident is considered a risk factor which will be taken into account when pricing a policy renewal.

Our investigator looked into things for Mrs D. He thought Admiral hadn't treated Mrs D unfairly in relation to the pricing and making a record of the incident. He also thought Admiral hadn't acted unreasonably when handling Mrs D's queries about the price. Mrs D disagreed so the matter has come to me for a 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've decided not to uphold the complaint. I understand Mrs D will be disappointed by this but I'll explain why I have made this decision.

### *Pricing*

The role of this service when looking at complaints about insurance pricing isn't to tell a business what they should charge or to determine a price for the insurance they offer. This is a commercial judgement and for them to decide. But we can look to see whether we agree a consumer has been treated fairly – so is there anything which demonstrates they've been treated differently or less favourably. If we think someone has been treated unfairly, we can set out what we think is right to address this unfairness.

I can see Mrs D paid £165.21 for her policy in 2021 but then received a renewal quote for £278.39 for 2022. This was later reduced to £234.32 following negotiation. This is more than what she paid the previous year so, given Mrs D says she wasn't at fault for the incident and also didn't make a claim, I understand why she's concerned about the price increase. Admiral have provided me with confidential business sensitive information to explain how Mrs D's price increase was calculated. I'm afraid I can't share this with her because it's commercially sensitive, but I've checked it carefully. And, I'm satisfied the price Mrs D has

been quoted has been calculated correctly and fairly and I've seen no evidence that other Admiral customers in Mrs D's position will have been charged a lower premium.

The information provided by Admiral shows they take into account a range of rating factors when pricing a policy. They say they regularly update their rates in line with their most up to date claims experience. I can see there are some rating factors where the loadings have increased, and which have contributed to the price increase. I can see though that Mrs D is particularly concerned about the non-fault incident notification and how this impacted the price. The information shows the incident reported by Mrs D has been recorded as a 'notification only' incident. I can see the notification has been factored into the ratings and I've seen a breakdown of the specific ratings which have been affected and how the loadings have been applied. Taking this into account, I can't say Admiral have made an error in their calculation or treated Mrs D unfairly.

Mrs D may feel this is unfair, and I acknowledge she only reported the incident to Admiral and had no intention of making a claim under her policy. But I think it's important to mention here, it's for a business to decide what risks they're prepared to cover and how much weight to attach to those risks - different insurers will apply different factors. That's not to say an insurer offering a higher premium has made an error compared to an insurer offering a cheaper premium – but rather, it reflects the different approach they've decided to take to risk. This also applies to rating factors, and if an insurer decides to apply a rating factor to a non-fault notification incident, it doesn't mean they've acted unfairly.

#### *Notification of incident*

I've listened to a recording of Mrs D's call with Admiral where she first reported the incident. During the call Mrs D explains the circumstances of the incident and that she has the third party's details. She explains she's been liaising with the third-party insurer's direct but has found them to be difficult. The call handler discusses the options available to Mrs D which include making a claim or using Admiral's non-fault service and Mrs D explains she's reluctant to make a claim. It's clear from the call recording Mrs D only wants to provide notification of the incident to Admiral – and that's how they've treated it. Mrs D has notified Admiral of the incident, so I don't think it was unreasonable for Admiral to make a record of the notification – and I've not seen any evidence that Admiral have at any point suggested no record would be made.

I understand Mrs D is concerned about the notification impacting her price. I can see Admiral have reported the notification on the Claims and Underwriting Exchange ("CUE"). The CUE is a database which records information about motor and home incidents, as well as other areas. An insurer has a duty to make accurate records. If an insurer is signed up to CUE, then they will make a record of any incident they've been made aware of, whether that leads to a claim or not. In this case, I agree with Mrs D that her report didn't lead to a claim requiring Admiral to pay out any costs. But a report was made, and the information shows Admiral were made aware of an incident. So, given there's a duty on Admiral to make accurate records, I can't say they've acted unfairly in recording this incident.

#### *Customer service*

I understand Mrs D says call handlers at Admiral were rude and unhelpful. I've listened to calls between Mrs D and Admiral to discuss her concerns about the price increase. During one call, Mrs D explains there's a claim showing on her documents, but she hasn't made a claim, so this information is inaccurate. The call handler explains their records show Mrs D reported a non-fault incident. Mrs D again explains she hasn't made a claim and wants this

record removed. The call handler explains it's been recorded as notification only and hasn't been treated as a claim under the policy. The call handler explains even though they've treated it as notification only, it's likely a rating will have been applied to this when pricing the policy. Mrs D explains she only contacted Admiral for the purposes of making an enquiry, yet she has been penalised now by her policy price increasing.

I acknowledge Mrs D wants Admiral to remove the record of the notification and the call handler explained they can't do this. I understand Mrs D is concerned about a claim showing on her policy when a claim wasn't made. I think it's important to clarify, Admiral haven't treated this as a claim on the policy, they've treated it as notification of an incident. There's no dispute Mrs D reported the incident to Admiral so I can't say they've acted unreasonably in refusing to remove the record of the notification.

### *Complaint handling*

I note Mrs D has concerns about Admiral's complaints handling – she says they took too long to address her complaint. Complaint handling isn't a regulated or other covered activity. So as a general rule, and in line with the law, if the complaint is solely about complaint handling, we wouldn't be able to look into things. Where complaint handling forms a part of a customer's complaint, then we can take into account complaint handling when looking at the overall customer experience. In this case, I can't say the issues which Mrs D raises about the complaints handling are an extension of the issues which relate to regulated activities, so I can't look into the complaint handling part of the complaint.

I understand Mrs D will be disappointed, but I hope she feels reassured the incident hasn't been recorded as a claim but as notification only of an incident. While this has had an impact on the price, I can't say it's unreasonable for Admiral to have rated the notification in the way they have. I wish to reassure Mrs D I've read and considered everything she has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

### **My final decision**

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 27 December 2023.

Paviter Dhaddy  
**Ombudsman**