

The complaint

Mr O has complained that Admiral Insurance (Gibraltar) Limited dealt with another driver's claim against his motor policy when he expressly said he would deal with the claim himself.

What happened

Mr O said he was stationary on a motorway on 4 January 2023 when his car rolled into the van in front of him. The van driver said he had caused damage to the doors, but Mr O was of the view the purported damage was higher than the bonnet of his car and as his car had no damage, he didn't think he caused this damage to the van. He felt the van driver was trying to take advantage and get old damage repaired because of this accident.

So, Mr O took photographs and asked the other driver for two repair quotes. The other driver didn't respond.

Meanwhile Mr O told Admiral about the accident, and he said he specifically told them not to do anything as he was going to sort it out himself.

However, in June 2023 Mr O said he received his renewal invite which had increased his premium by £866.11. When he queried this with Admiral it explained that it was because this other driver made a claim against his policy. It transpired that Admiral had contacted the other driver itself. It offered £200 compensation which Mr O refused but it then sent him the cheque anyway. Initially Mr O didn't bank this cheque but recently has done so. Mr O said his bank told him the cheque had been stopped.

Mr O is aggrieved his premium will now be higher and he will have to declare this incident going forward. He said his premium has now risen from £1,759.35 to £2,625.46. He feels that as he is a young driver, he's not important to Admiral.

Admiral said it sadly couldn't retrieve the call recording when Mr O called it to report the accident. However, it said from the notes on the file, it's clear it advised him, and it made Mr O aware that it would be offering its services to the other driver. But given it couldn't listen to the call it upheld his complaint and paid him £200 compensation.

As Mr O remained dissatisfied, he brought his complaint to us. The investigator didn't think it should be upheld. Mr O disagreed so his complaint has been passed to me to decide.

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'm not upholding this complaint. I'll now explain why.

I appreciate and understand Mr O will be very disappointed with my decision. However, I hope on reading this decision he will understand why his complaint couldn't be upheld.

In the policy as Mr O noted he was under a duty to report this incident had occurred. But also in the policy, it says the following under the General Conditions section:

'2. Claims procedure

If you or your vehicle are involved in any type of incident, regardless of fault, you must:

- *tell us about it within 48 hours*
- *immediately report any incident involving malicious damage, theft or deliberate fire to the police and:*
- *support them in their investigation and any prosecution against the person responsible*
- *give us a Crime Reference Number within 24 hours, that relates to the incident you are reporting.*
- *give us all the information and documentation that we consider necessary to deal with your claim and policy.*
- *please read in conjunction with General condition 17*
- *send us any court documentation you receive in connection with the incident as soon as you receive it, including any claim form, writ, summons or bill*
- *tell us at once if you are charged with an offence or get any notice of prosecution, inquest or fatal enquiry*
- *give us a witness statement when requested*
- *co-operate with our investigation.*

Failure to comply with the above could result in the claim being refused and/or your policy being cancelled.

You must not attempt to negotiate the settlement of the claim unless we have given you written permission. [my emphasis].

Defending or settling a claim

We are entitled to:

- ***conduct the investigation, defence and settlement of any claim on your behalf*** [my emphasis]
- *inspect your vehicle at any reasonable time we ask*
- *stop cover immediately and cancel your policy if your vehicle is deemed a total loss or is stolen and unrecovered*
- *once the claim is settled your vehicle will become our property.'*

As Mr O can see from the areas in bold above which I have emphasised, he is not permitted to negotiate any settlement of any claim unless Admiral specifically gives him written permission to do so. And further and more importantly, in common with all other motor policies, Admiral being the insurer, is always entitled to take over the conduct, investigation, and defence and settlement of any claim against Mr O.

The reason for this is that a motor policy provides indemnity for the policyholder for any claim made against him. Therefore, the insurer manages how that indemnity is given, investigated, and settled as essentially, it's the insurer who will be paying the other driver's claim, not the policyholder directly.

Further and even more importantly the other driver always remains entitled to simply claim through his own insurance policy if he so wishes, just like the van driver did here. This van driver stopped communicating with Mr O and simply got in touch with his own insurers. Admiral did indeed get in touch with the van driver too, but it said he had already contacted his own insurers anyway.

That means regardless of Mr O's intention that he would deal with this himself, the other driver always remained entitled to make a claim against Mr O's policy anyway. There was never anything Mr O could have done to stop the van driver making this claim, like Mr O wanted to.

Further as Mr O had noted, he was under a duty to tell Admiral that the incident had happened. Regardless of whether the other driver makes a claim, or indeed how much that claim cost, the incident is just anyway recorded on Mr O's insurance record. As this is the law. Given the circumstances here where Mr O's car rolled into this van in front, that would also always be likely to be held as being Mr O's fault, given the driver behind is always under a duty to stop in good time.

I don't doubt the accident was minor and that possibly Mr O's car caused no damage to the other driver's van. But that wouldn't change Mr O's insurance record namely that he was involved in this incident. It's the fact he was involved in an incident rather than the outcome of the incident which then tends to affect premium amounts often increasing it.

Therefore, whilst there was no doubt a communication mix-up initially where there is a lack of evidence of what Admiral told Mr O at the time, otherwise Admiral has not done anything wrong here in being proactive in dealing with the van driver's claim.

Turning to this communication mix up initially, I'm glad to see given the inability to retrieve the call recording that Admiral upheld this part of Mr O's complaint. I can see Mr O tried some months after receiving the cheque to bank this cheque and he said his bank told him it was stopped. I consider Admiral should now make enquiries about this cheque, and if needs be then reissue the cheque to Mr O, so that he can bank it on receiving it. Cheques are only valid for a specified time.

For the avoidance of any doubt, I do consider it was reasonable for Admiral to acknowledge its communication with Mr O initially wasn't clear. And I consider that warranted some compensation. I also consider the amount of £200 to be fair and in line with our stance on such matters. So other than Admiral clarifying the matter as regards the cheque and sending Mr O another one if needs be, I don't consider Admiral needs to do anything more.

My final decision

So, for these reasons, it's my final decision that I don't uphold this complaint but for Admiral Insurance (Gibraltar) Limited clarifying the matter with its compensation cheque to Mr O for £200 and reissuing it to Mr O if necessary.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 2 April 2024.

Rona Doyle
Ombudsman