

## **The complaint**

Mrs A complains about Admiral Insurance (Gibraltar) Limited's (Admiral) handling of a fraudulent claim made against her and the poor standard of service she received, under her motor insurance policy.

## **What happened**

In September 2022 Mrs A says a man placed his motorbike in-front of her car at a junction. She says he took photos and then rode off. She says it was obvious he was trying to make it look like a collision had occurred. Mrs A didn't report this incident to Admiral, but it subsequently contacted her to tell her a claim had been made against her policy.

Mrs A says as a result of this her no claims discount has been reduced by four years and her insurance premium has increased. She says Admiral has taken too long to investigate the claim and she can't afford the new premium. Mrs A says the claim made by the motorbike rider was clearly a scam. She thinks this could easily have been dismissed had Admiral investigated the matter properly.

Mrs A says there were CCTV cameras on the traffic lights in the direction the motorbike headed after the incident. She says the timestamp of the photos the man took would show it was only a few seconds from the staged collision for him to ride off. She says this would prove any personal injury claim was false. Mrs A asks that the claim is rejected, and her no-claims discount (NCD) and premium are returned to the level they should be at.

In its final complaint response dated 15 July 2023 Admiral says it's investigating the claim from the third party. It says it cannot say how long the investigation will take but that it will support Mrs A throughout. It says its sorry the premium it offered for the renewal in July was higher than the previous year. This was because of a general rise in insurance prices but the open claim against Mrs A's policy was also a factor.

In its letter Admiral says when it's notified of a claim this will impact its customer's NCD and premium. In the event that it has nothing to pay out it will reinstate the NCD to the level it was at, prior to the claim being notified. Admiral acknowledged the matter had been going on for some time, and that some inaccurate information had been provided to Mrs A. It offered her £200 compensation for the trouble and upset this had caused.

Mrs A didn't think Admiral had treated her fairly and referred the matter to our service. Our investigator didn't uphold her complaint. He says it was right that Admiral was challenging the third party's version of events. But whilst this was ongoing this would mean the claim remained open against Mrs A's policy. He acknowledged there had been delays and she'd been caused distress. But our investigator thought Admiral's offer of £200 compensation was fair.

Mrs A disagreed with our investigator's findings and asked for an ombudsman to consider her complaint.

It has been passed to me to decide.

I issued a provisional decision in February 2024 explaining that I was intending to not uphold Mrs A's complaint. Here's what I said:

*provisional findings*

*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 my intention is to not uphold this complaint. I'm sorry to disappoint Mrs A but I'll explain why I think my decision is fair.*

*I can see from the claim records that Mrs A was contacted by Admiral on 25 October 2022 to inform her a third-party had submitted a claim against her policy. It asked for any documentation she might have regarding this incident. It also told Mrs A she must let it know straight away if there were any impending prosecutions from the police. The claim records show a text message was also sent at this time asking Mrs A to make contact and confirm the circumstances of the incident.*

*The records show Mrs A called Admiral within an hour of receiving its text message. The call note describes the incident as the third-party having faked a collision.*

*I can see Mrs A called Admiral again a few days later. The note says progress will be chased.*

*On 21 December 2022 Admiral tried to call Mrs A but didn't get through to her. The note says it needed further information regarding the purpose of her journey, previous claims and/or convictions, and whether she'd heard from the police or the third-party. There is a record that indicates Mrs A called back the same day. But there are no details of the discussion that took place.*

*On 12 January 2023 Admiral received an email from Mrs A. She asked that the claim be closed as she didn't have an accident. She says this was "all lies and false claims". The email asks that Admiral checks for CCTV footage to see where the third-party rode to.*

*On 18 January 2023 The records show that an assessor was instructed to look at the condition of Mrs A's car to consider whether there was any damage. Admiral contacted Mrs A by email to advise her of this and explain it would be in contact once the assessor's report had been received.*

*A record dated 13 February 2023 is headed "Full File Review". It says there had been no contact from the assessor and indicates a different assessor may need to be instructed. The note refers to contact Admiral had made with the claim management company dealing with the matter on the third party's behalf. It says Admiral asked for details of where the motorbike was being stored. It says the information requested wasn't provided until 12 December 2022. An email was then sent by Admiral on 17 January 2023. The record says this was to highlight concerns with the third-party's claim.*

*A photo taken at the scene of the incident was sent to Admiral on 20 January 2023. The record says the third-party's engineer had deemed the motorbike a total loss, and there was no comprehensive cover in place for the third-party to claim against.*

*A record from 13 February 2023 says a report from the assessment of Mrs A's car had now been received. On 3 March the notes say the report has been reviewed and it was inconclusive. It refers to damage noted to the front bumper on the right-hand side of Mrs A's*

car. Also, that images of the third-party's motorbike showed scrapes on both sides, which was consistent with scraping the road surface.

The next note with any detail is dated 19 May 2023. It says Admiral is waiting on a statement from Mrs A. A record dated 6 June says Mrs A had called to remove commuting cover from her policy. The records also say Admiral is waiting on a response to its challenge to the third-party's claim handler. A note from 13 June says the fraud investigator is waiting for Mrs A's statement to be sent to her. I note this still hadn't been received on 4 July. Shortly afterwards Mrs A submitted her complaint. Admiral responded to this on 15 July.

Having considered the records, I think Admiral could've handled Mrs A's claim better. There were some long gaps between action being taken. The business was aware of the claim in October 2023 but an assessment of damage to Mrs A's car wasn't instructed until mid-January 2023. And the report wasn't reviewed until March. I think it's reasonable to expect this to have been done sooner. Mrs A responded quickly to requests for information. The delay in the third-party's representative responding to Admiral's challenge was out of its control. But it did have control over its investigation. I think the evidence shows there were avoidable delays, which Admiral has acknowledged in its complaint response.

I can understand why Mrs A is frustrated that she has an open claim recorded against her policy. Especially given what she says about the fraudulent actions of the third-party. However, as of the time of its final complaint response the claim investigation was ongoing. Admiral explained that an open claim will have an impact on Mrs A's NCD unless the claim is closed as non-fault. Currently, liability has yet to be determined so it isn't able to close the claim or reinstate Mrs A's NCD. Admiral should ensure it progresses matters effectively. But in cases where liability is in dispute it can take time for a claim to be resolved.

I think it's fair that Admiral offered Mrs A compensation for its delays when handling her claim and for the instances of poor communication. I think the amount it offered is reasonable. I don't think Admiral is responsible for the claim still being open as of July 2023. This also depends on the actions of the third-party and his claim handler. So, although I'm naturally sympathetic towards Mrs A, I'm not asking Admiral to increase its payment.

I've thought about Mrs A's comments that she received a renewal quote that is significantly more expensive than her precious year's premium. Our investigator said the extra expense of the renewal would have to be raised in a separate complaint, as the impact of this occurred after Admiral's complaint response. Mrs A's policy was due to renew on 23 July 2023, which is after Admiral's final complaint response. But she received the renewal prior to this and included this issue in her complaint. So, I'm satisfied that I can consider this matter here.

I note what Admiral says about insurance prices in general, as well as the impact of the open claim on Mrs A's premium. But to understand whether Admiral had treated her fairly I asked if it could provide its underwriting criteria to show that it calculated Mrs A's premium using its accepted process. We expect Admiral to treat all customers fairly, so it should be able to show that it treated Mrs A the same as it would any other customer in her circumstances.

Admiral responded with a detailed explanation of how it calculated Mrs A's renewal premium. This includes its underwriting tables to show what the main factors were in her premium increasing. This information is considered commercially sensitive, so I can't share it. But I'm satisfied from the information it provided that Admiral treated Mrs A fairly using its established criteria for calculating its insurance premiums.

Having considered all of this I don't think Admiral is responsible for the claim remaining open in July 2023. It did cause some delays and communicated poorly on occasion. But it's done

*enough to put this right by paying Mrs A compensation. I've not seen evidence that shows Admiral behaved unfairly when calculating Mrs A's renewal premium. So, I can't reasonably ask it to do anymore.*

I said I was intending to not uphold Mrs A's complaint.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Admiral didn't respond with any further comments or information for me to consider.

Mrs A responded to say my provisional findings overlook the significant losses and damages she incurred due to Admiral's mismanagement of her claim.

Mrs A says she has been unable to drive or insure her car since July 2023 due to the increased cost of her insurance at renewal. She says the delays Admiral caused were "catastrophic". She says this has impacted her financially as she has to drive for her job. She says this has also had a significant impact on her overall wellbeing.

In her response Mrs A says Admiral has failed to advocate for her adequately. This has been exacerbated by its failure to update her on its progress. She says she has been compelled to refute the validity of the claim. When this should be for the claimant to prove. And says the compensation she's been offered is grossly inadequate given the severe impact this claim has had on her finances and wellbeing.

### **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, although I'm naturally sympathetic to the situation Mrs A has found herself in, I'm not persuaded to make a change to my provisional findings. Let me explain.

I don't doubt that this matter has been extremely distressing for Mrs A. Particularly given her testimony that the third-party involved has acted fraudulently for financial gain. It must be frustrating that this has impacted on the cost of her insurance. But I can't reasonably conclude that this is Admiral's fault.

In my provisional decision I said there were some delays in Admiral's handling of Mrs A's claim. As well as some instances of poor communication. But I felt the compensation it offered for £200 was fair to acknowledge this. I maintain my view that Admiral isn't responsible for the claim remaining open since July 2023. This is because the business isn't able to make the third-party acknowledge he'd acted fraudulently.

Admiral says its actively investigating the claim. Based on what I've seen I have no reason to doubt this. The business says it isn't able to confirm the date when this will be completed, or what the outcome will be. Although this is clearly frustrating for Mrs A, I don't think this explanation is unreasonable. Where liability is in dispute it can often take some time for a claim to be resolved. I'm satisfied that Admiral has done what it's expected to do in these circumstances. So, although I acknowledge Mrs A's comments about the impact on her finances and wellbeing, I can't fairly ask it to do anymore.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 11 April 2024.

Mike Waldron  
**Ombudsman**