

The complaint

Miss E complains that Admiral Insurance (Gibraltar) Limited told her that a windscreen claim wouldn't affect her renewal for her motor insurance policy.

What happened

In September 2023, Miss E contacted Admiral as she wanted to know if she had windscreen cover on her motor insurance policy, which is insured through them. Admiral confirmed that she did have this cover. Miss E also asked if the claim would affect her no claims bonus (NCB) and if she would have to declare the claim moving forward. Admiral said it wasn't considered as a claim and therefore wouldn't impact her NCB. She therefore made a claim for her windscreen repair.

When Miss E received her renewal quote for the policy, the premium had increased significantly. And despite what she had been told in September 2023, she noted that the windscreen claim had been detailed on the quote. She contacted Admiral to query this and was told that the windscreen claim would be considered as a claim on the policy, and it would need to be declared moving forward. Unhappy with this outcome, Miss E complained to Admiral.

Admiral looked into the complaint and accepted that it had made an error in the call it had with Miss E in September when it had advised her that the claim wouldn't need to be disclosed. But it did say that the information about her NCB not being affected was correct. It offered £50 compensation. Miss E remained unhappy and brought her complaint to this service.

Admiral let us know that it wanted to increase the offer of compensation to Miss E by a further £100. Our investigator put this offer to Miss E but she didn't accept it. As a result, our investigator reviewed the complaint to see if she felt the offer was fair. Following her review, she explained to Miss E that she wasn't going to ask Admiral to do anything further. She said Admiral had accepted that it had made a mistake when she had called them about the windscreen claim. But she found that the premium increase had not been as a result of this claim and so Miss E's premium had not been impacted by this error. And, while she accepted that Miss E would now have to declare the claim to insurers for the next five years, she commented that most motor insurers take the same stance as Admiral by not including windscreen claims in premium ratings. She felt that the amended offer of £150 was fair and reasonable, considering the inconvenience caused.

Miss E disagreed with the investigator. She said finding out she would have to declare the claim caused her great anxiety. She said she wanted the claim removed from her record. As no agreement could be reached the matter 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.

The insurance industry regulator, the Financial Conduct Authority (“FCA”), has set out rules and guidance for insurers in the ‘Insurance: Conduct of Business Sourcebook’ (“ICOBS”). ICOBS says that insurers should act honestly fairly and professionally in accordance with the best interests of their customers.

Admiral has already accepted that it made a mistake during the call with Miss E in September 2023 when it advised her that the claim wouldn’t need to be declared. And I can understand the upset and frustration that Miss E feels as a result of now finding out this isn’t the case.

When a business makes a mistake, as Admiral has accepted it has done here, we expect it to restore the consumer’s position, as far as its able to do so. And we also consider the impact the error has had on the consumer.

Firstly, I’ve looked at the renewal quote provided by Admiral, following the claim, and it’s clear that the quote has increased by 45%. I can understand why Miss E feels that the claim has impacted the premium offered. But Admiral has told us that windscreen claims don’t impact its premium calculations in the same way as other claims may.

Admiral has provided confidential information to us to explain how it calculated Miss E’s renewal premium. The data Admiral has provided is business and commercially sensitive as it includes details on how it competes with other insurers in the market. This means I can’t share this information. But based on what I’ve seen I’m persuaded that the renewal premium quoted hasn’t been impacted by the windscreen claim. The information shows that the premium rating for Miss E doesn’t include any fault or non-fault claims and therefore the windscreen claim isn’t the cause of the increase in premium cost at renewal. And in relation to the NCB, the information shows that Admiral hasn’t reduced her discount. I’m therefore satisfied that Miss E’s renewal premium increase was not affected by any error made by Admiral during the call in September 2023 and would likely have increased by this amount regardless of whether a claim was made.

The windscreen claim has been placed on Miss E’s record. I’ve noted that Miss E wants the claim removed but Admiral has correctly recorded that a claim was made, and it has a responsibility to record accurate information about such history. Miss E says that knowing she needs to declare this claim to other insurers has caused her anxiety and may well impact her premium if she chooses to change her policy. I appreciate Miss E’s concerns here however, generally speaking, motor insurers consider windscreen claims differently to other claims, such as traffic accidents. And most don’t increase premiums following a windscreen claim. I understand that Miss E may be put to more inconvenience when obtaining quotes, as she will need to explain that it is a windscreen repair claim that is on her record, but I’m persuaded that the compensation offer of £150 reflects this additional inconvenience.

Putting things right

If it hasn’t done so already, I direct Admiral to make any additional payments to Miss E to bring the total compensation to £150 in recognition of the inconvenience caused.

My final decision

For the reasons given above, I’m partially upholding this complaint.

I direct Admiral Insurance (Gibraltar) Limited to put things right as detailed.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss E to accept

or reject my decision before 16 May 2024.

Jenny Giles
Ombudsman