

The complaint

Mr H has complained about the way Admiral Insurance Gibraltar Limited has handled his claim for damage to his car under his Car Insurance Policy.

What happened

Mr H's car was damaged when a refuse truck reversed into it. He contacted Admiral to make a claim. Mr H had to chase Admiral on numerous occasions to find out what was happening on his claim. He eventually found out his car had been written off and received a settlement for it. He was also told that Admiral had made an offer to the third party insurer (the TPI) to settle on a 50/50 basis. This would mean Admiral would only recover half its outlay on the claim and it would count as a bonus disallowed (fault) claim against Mr H.

Mr H complained about this and the way his claim had been handled. Admiral issued a final response in which it admitted it hadn't handled the claim well. It paid Mr H £100 in compensation for this and £10 to cover the cost of the calls he'd had to make due to poor communication on its part. However, it maintained it was right to offer to settle the claim on a 50/50 basis and to mark the claim as fault until such time as liability was determined.

Mr H wasn't happy with Admiral's response and asked us to consider his complaint. One of our investigators did this. She said Admiral's decision to mark the claim as fault and make a 50/50 offer was reasonable, as Admiral did not have evidence to show Mr H's car was 'stable' at the time of the accident. What she meant by this was that it didn't have evidence to show it was stationary at the time the truck reversed into it. She agreed that Admiral had provided a poor level of service on Mr H's claim, but felt the £100 it had paid in compensation for this was enough.

Mr H didn't agree with the investigator's view. He didn't think that Admiral had fully considered the circumstances of the accident. He still felt that its poor claim handling, especially the delay on its part in handling the claim, had jeopardised his ability to resolve it in his favour. He said the knock-on effect of this in terms of costs and inconvenience was considerable.

As Mr H didn't agree with our investigator's view his complaint was referred to me for a decision. I spoke with Mr H and explained that, while I agreed Admiral's handling was poor, I felt its decision on liability was reasonable in the circumstances.

I then issued a provisional decision on 15 May 2024 in which I set out what I'd provisionally decided and why as follows:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As I explained to Mr H over the telephone, I can see why he didn't feel he was in any way responsible for the accident in which his car was damaged; particularly as the refuse truck was reversing out of a road and it didn't follow the correct procedure. However, I think that in reality, because his car was moving more or less up to the point of impact, a court would be

unlikely to find that the refuse truck driver was 100% responsible. In view of this, I think it was reasonable of Admiral to take the view that a court would decide liability as 50/50. Obviously, it is difficult to know for sure what a court would decide and it's not for me to determine liability. But, in the circumstances, I think Admiral's decision to offer a 50/50 settlement and then appoint a solicitor when the TPI didn't respond to its communications was reasonable. Admiral has left it to the solicitor to decide whether they feel they can recover in full and – again – I think this is reasonable. Although, I think it is unlikely they will decide they can.

I do think the process with the TPI and getting to the point of appointing a solicitor could have been much quicker. It wasn't as quick as it should have been because of failings on Admiral's part. And it didn't even contact the TPI until March 2023. However, bearing in mind the lack of response from the TPI, I doubt very much the claim would have been resolved by now even if Admiral had been more efficient.

In view of this, I do not think Mr H has lost out because of the way Admiral handled the recovery of its outlay. And I'm satisfied it was reasonable for Admiral to mark the claim as bonus disallowed (fault). It could of course be changed to bonus allowed (non-fault) if the solicitor does make a full recovery of Admiral's outlay. The fact the claim has been marked as fault will have affected the premiums Mr H has been charged and the premium under any policy he is a named driver on. But I do not think this is because of any failings on the part of Admiral.

I do however agree with Mr H that the very poor level of service provided by Admiral on his claim caused him a great deal of unnecessary distress and inconvenience. I can see its communication of what was happening with his car was poor and Mr H had to keep contacting it to find out what was happening. Also, Admiral does seem to have lost the witness statement and I have not seen any actual emails showing it was chasing it as it has suggested. It was only when Mr H got this and sent it to Admiral that it actually contacted the TPI. It also sent incorrect information about the accident to the solicitor. In addition to this, I don't think Admiral did enough to understand Mr H's view on liability and establish exactly what happened in the accident. I say this because it seems to have assumed his car was moving up to the point of impact, without actually checking with him or the witness whether this was the case. And without properly explaining the significance of this.

I think all this caused Mr H a considerable amount of distress and inconvenience. And I'm not satisfied the £100 Admiral has paid in compensation for this is enough. I think the level of distress and the hassle and frustration Mr H experienced because of Admiral's poor communication warrants an overall payment in compensation of £350. This means Admiral should pay him a further £250.

I gave both parties until 29 May 2024 to provide further comments and evidence in response to my provisional decision.

Mr H has responded to say he doesn't have any further comments or evidence to provide.

Admiral has responded to say that – bearing in mind Mr H has already received £100 in compensation for distress and inconvenience – it thinks a further £250 is excessive.

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've noted what Admiral has said, but I explained in my provisional decision why I think a

further £250 in compensation for distress and inconvenience is reasonable. I think Admiral's poor handling of Mr H's claim caused him significant distress and inconvenience and it remains my view that a total of £350 in compensation for this is appropriate.

Putting things right

For the reasons set out in my provisional decision and above, I've decided to uphold Mr H's complaint and make Admiral pay him a further £250 in compensation for distress and inconvenience.

My final decision

I uphold Mr H's complaint and order Admiral Insurance (Gibraltar) Limited to pay him a further £250 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 June 2024.

Robert Short
Ombudsman