

The complaint

Mr G is unhappy that Admiral Insurance (Gibraltar) Limited (Admiral) increased his motor insurance renewal premium following an open claim. He's also unhappy with the way the claim has been handled and that his No Claim Bonus (NCB) has been affected.

Any reference to Admiral includes all its agents.

What happened

Mr G had a motor insurance policy and Admiral was the underwriter. He cancelled the policy in July 2023.

On 15 November 2022, Mr G reported a motor incident and made a claim through an accident claims management company. Admiral considered the claim and as there was a liability dispute between the two parties, a 50/50 liability was proposed. The claim remained open and Mr G's policy was due for renewal in July 2023. He received his renewal notice; his premium had increased, and his NCB had been affected.

Mr G made a complaint to Admiral. It said under the policy terms and conditions, it was entitled to settle a claim in the best possible terms and as there was a dispute about liability from both parties, the proposal was to settle it as a 50/50 split. Admiral said a number of factors can impact the renewal premium and as there was an open claim on the policy, this would also impact it. Admiral said the NCB hadn't been protected on Mr G's policy so that's why this has also been impacted.

Unhappy with Admiral, Mr G brought his complaint to this service. Our investigator didn't uphold the complaint. She'd looked at how the claim liability had been split and the impact it had had on the renewal premium and the NCB. She didn't think Admiral had treated Mr G unfairly or unreasonably.

Mr G asked for the complaint to be referred to an ombudsman. So, it's been passed to me.

In summary, he says:

- He acknowledges our investigator's explanation regarding the absence of call recordings.
- He also acknowledges there may have been an oversight on his part to review the policy documents.
- He remains dissatisfied with the progress of the claim and the conflict of interest given both parties are insured by Admiral.

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.

Industry rules set out by the regulator (the Financial Conduct Authority) say that insurers must handle claims promptly and fairly and shouldn't unreasonably reject a claim. I've taken these rules into account when making my final decision about Mr G's complaint.

Firstly, I note that Mr G is unhappy with the claims process and the delays that have been caused in finalising the claim settlement decision. However, we can only consider the complaint points Mr G raised with Admiral and which have been responded to by Admiral in July 2023. If Mr G is unhappy about these aspects, he can raise a further complaint with Admiral to review the points since July 2023.

I've considered the complaint points, and, for ease, I've separated my findings below.

Claim handling

With regards to the incident in November 2022, Mr G is unhappy that Admiral has proposed a 50/50 split liability on the claim.

Admiral said the liability of the incident is still under dispute and the claim remains open. So, I've looked at whether I think the current 50/50 proposed split is fair in the circumstances.

It's not my role, or the role of this service, to decide which party is responsible for the incident. What I need to decide is whether Admiral has acted fairly and reasonably in proposing a 50/50 liability split and whether that's in line with his policy terms and conditions.

On page 26 of Mr G's policy booklet, it says Admiral is entitled to '*conduct the investigation, defence and settlement of any claim on your behalf*'. Similar provisions are found in most motor policies, so I don't find this to be unusual.

I've looked at the evidence provided by Admiral. It has considered the version of events provided by Mr G and the other party. I can see both versions differ, and Admiral's liability team said there were no independent witnesses or CCTV to confirm what either party has said to decide which version was correct. This means it's one person's word against the other person's. Admiral has therefore proposed a 50/50 split liability decision. And based on the policy terms, Admiral is entitled to settle a claim on Mr G's behalf.

While I appreciate Mr G is unhappy, at the point he made the complaint to Admiral, the claim was still open. Looking at the investigation Admiral has so far carried out; I'm satisfied that it has handled the claim fairly and reasonably. As an insurer, Admiral, is likely to have experience of how the matter would be viewed if it went to court. In a civil court, the matter would be decided on balance of probabilities, rather than '*beyond reasonable doubt*'. I don't think therefore Admiral has acted unfairly in proposing a 50/50 liability split on the claim.

I note Mr G says he's unhappy with the conflict of interest regarding his claim. He says he shares Admiral with the other party, as the same car insurance provider, so this compromises the impartiality of the claims process. I acknowledge Mr G's comments. However, this isn't an unusual situation, and Admiral has explained that different claims handlers would deal with the claims, and it has strict procedures in place to ensure there is no conflict in situations like these. I don't think this is unfair or unreasonable. My understanding is that the liability decision is yet to be finalised and if Mr G is unhappy at that stage, he can raise a separate complaint to Admiral at that point.

Increase in renewal premium

It's not my role to tell a business the premium it should charge its customers or the factors it should consider when deciding on the cost of a policy. Our approach generally is to ensure that an insurer is treating all its customers fairly and equally by looking at the evidence it provided in deciding the cost.

Mr G received renewal communication in July 2023. He was unhappy with the significant increase in the premium of his policy.

I've considered the information provided by Admiral to explain how the premium has been calculated. The information given to us is in confidence and is commercially sensitive. We've agreed to accept it on this basis. And while we're unable to share the information, I have reviewed it and want to ensure Mr G that he has been treated fairly and equally. I'm satisfied the premium Admiral calculated at renewal has been done fairly and in line with its customers who are in similar circumstances.

Admiral said the price of the policy on renewal has increased because it is regularly updating its premium rates against its claims rates. And this means some rates go up and some go down. The premium is calculated using details provided by a customer and Admiral does its utmost to ensure the rates are accurate and reasonable for its customers. Admiral said the premium was a quotation and Mr G was under no obligation to accept this. It also said Mr G reported an incident on 15 November 2022 which caused the renewal premium to increase.

Although Mr G says the incident wasn't his fault, this is still a factor considered when calculating the renewal premium and which did affect it. Admiral said it has made a business decision to rate on non-fault claims and incidents and it has no plans to change this.

I'm satisfied Admiral has treated Mr G fairly and reasonably.

Impact on NCB

Mr G's unhappy that his NCB has been affected by the open claim for the incident in 2022. This is understandably frustrating for Mr G.

But while the claim liability decision is open on the policy, this will be logged as a 50/50 split and will affect Mr G's NCB. And therefore, the NCB has been reduced in line with his policy terms. This isn't unusual and is common practice with insurers. I don't think it's unfair.

I understand from the policy terms that the NCB can be protected with an additional premium that would be payable. But from the information provided, Mr G hadn't paid this when he took the policy out or renewed it.

He says he did speak to Admiral's advisers about paying an additional premium, so we asked Admiral for the call recordings. However due to the passage of time, Admiral hasn't been able to provide these. In the absence of these, I've looked the policy documents, including the renewal documents Mr G was sent. They clearly show that the NCB wasn't protected. However, none of these show that Mr G paid an additional premium. Mr G would also have had the responsibility to review his policy documents to ensure the policy met his needs. But there's no evidence to show that he queried whether his NCB was protected. I can't therefore reasonably say that Admiral shouldn't have reduced his NCB or have acted unfairly in this situation.

Conclusion

Taking everything into account, I'm satisfied that Admiral has acted fairly and in line with Mr G's policy terms and conditions. I don't think it's done anything wrong, so it follows that I

don't require it to do anything further.

My final decision

For the reasons given above, I don't uphold Mr G's complaint about Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 August 2024.

Nimisha Radia
Ombudsman