

The complaint

Mr F complains about the way Admiral Insurance (Gibraltar) Limited (“Admiral”) investigated a claim and decided liability for a claim under his car insurance policy.

What happened

Mr F had a car insurance policy with Admiral.

In January 2022 he was involved in a collision with a third-party vehicle that was a taxi. He described the impact speed as being very low, and the only marks on his car were in the dirt. He said the collision was his fault.

He reported the collision to Admiral.

The third party claimed from Admiral, which settled the claim at a total cost of just over £1,500.

Mr F wasn’t happy with this, and he complained to Admiral. He complained about the impact on his No Claims Discount (“NCD”), an inconsistency between the claim amounts, the size of the claim given the third-party vehicle’s condition, and the increase in his premiums

Admiral upheld part of his complaint relating to the inconsistent information it’d given him. It said it would pay £100 compensation.

Mr F remained unhappy and brought his complaint to this service. He complains that Admiral shouldn’t have settled the claim and alleges that the third party was acting fraudulently, which wasn’t picked up by Admiral.

Our investigator looked into it and thought it wouldn’t be upheld.

Mr F didn’t agree with the view. He doesn’t accept the third party’s claim was legitimate or that it could have reached over £1,500.

Because he didn’t agree, his complaint has been passed to me to make a final decision.

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’m not upholding Mr F’s complaint and I’ll explain why.

Mr F contacted Admiral and told it that he collided with a third-party vehicle. Although he said there was no, or very little, damage to his car, by causing the collision he’s effectively put Admiral ‘on the hook’ to deal with any subsequent claim made by the third party he collided with.

It’s not for Mr F to decide whether the third party is fairly making a claim or not. That’s

Admiral's role as his insurer paying the claim under the terms of his policy with it.

I understand from the file that Admiral dealt directly with the third party to resolve their claim. What that process included was inspection of the taxi by an independent vehicle assessor working on its behalf. I don't have details of this assessor, but they typically are experts in assessing vehicle damage and calculating repair values.

I've not been provided with a breakdown of the repair carried out to the third party, and in his approach to this service Mr F talks about various possibilities including credit hire costs and inflated repair prices. Details

But it's important he realises that by him causing the collision, and Admiral dealing directly with the third party, Admiral was likely able to keep its costs, and therefore Mr F's total claim amount, as low as it could.

It's important I say Mr F collided with a vehicle used as a taxi. What that means is when Admiral assessed and carried out the repairs to it, other costs may have been payable as the taxi driver may not have been able to use their car for a period of time.

In his approach to this service, Mr F feels that there was no damage to the taxi. He says this because there was almost no damage to his own car. He suggests the taxi driver was using the opportunity to repair some pre-existing damage to their car.

But I can see he said there was an impact, albeit low speed. He also mentions dirt on his own car being moved by the collision. What that would seem to mean is that there was some rubbing or impact. In turn, what that means is that the innocent third party is within their rights to make a claim against him.

It's the third party's choice whether to claim, not Mr F's.

Admiral do need to validate that claim. And I can see it did this by dealing with the third-party directly using an assessor. I think this is a fair approach and it's in line with the insurance marketplace.

I know Mr F has talked about the third party's actions in the claim amounting to fraud, but it's not in Admiral's interest to settle a fraudulent claim or pay over the odds for repairs. Which is why it uses assessors to gain a true picture of the claim amount.

Mr F has talked about this at length, but I can't see evidence from him about why Admiral's process was unfair or unreasonable.

It follows that I think Admiral's handling of his claim is fair. And so is the recording of the claim against him, and the impact on his NCD. This collision and the claim will have an impact on his policy at renewal, and as insurers share claims data this will likely be the case if Mr F looks elsewhere for cover.

I can see that Admiral gave Mr F poor information about the amount of his claim, which was uncovered during his complaint. Admiral upheld this complaint point and said it would pay him £100 compensation for it. I've thought about this and compared it with this service's guidelines, and I think the amount is appropriate.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 3 October 2024.

Richard Sowden
Ombudsman