

our ref **2145-4765/SP/MO12**
your ref

Mr J Featherstone
27 Spey Street
London
E14 6PP

please write to **Financial Ombudsman Service**
Exchange Tower
London
E14 9SR

dx 141280 Isle of Dogs 3
website www.financial-ombudsman.org.uk

7 June 2019

Dear Mr Featherstone

your complaint about Admiral Insurance Company Limited (“Admiral”)

Thank you for waiting while I’ve been looking into your complaint.

I’ve now looked at all the information you and Admiral have given me. Based on what I’ve seen, I think Admiral has dealt with your complaint fairly – so I’m not asking them to do anything.

I know this isn’t the answer you were hoping for. But I’ve explained below why I think this is the right outcome – taking into account everything that’s happened.

your complaint

You’ve told me Admiral confirmed your car was a total loss and it cancelled the policy. You said you don’t believe Admiral followed the correct procedure because it didn’t pay you the market value of your car; you said Admiral repaired the car and then quoted you over £5,000 for another policy, when you’d only previously paid around £1,000 in premium.

You also believe the 10 years protected No Claims Discount (NCD) you had would’ve ensured your premium remained the same as the previous year, and the repairs should’ve been paid under that policy. You said this proves Admiral isn’t operating in your best interest; you believe it has acted fraudulently.

background

On 7 November 2016, following an email you’d received from Admiral, you called to talk about the theft of your car two days prior, and a subsequent incident involving your car the day after it was stolen. You confirmed you wished to make a claim under the policy; Admiral said your claim would be passed onto the correct team, and it asked you to let it know if your car was recovered.

On 8 November 2016, Admiral called you again to talk about the theft and the subsequent incident which happened while your car was stolen. You asked how long your car would have to remain stolen before Admiral paid out on a claim; it confirmed it had started its investigation and would try and deal with it as quickly as possible.

It said if your car was unrecovered, or it was recovered and unreparable, then it would offer a total loss settlement, less the policy excess.

On 9 November 2016, Admiral issued a letter stating your car had been written off; your policy was cancelled down. But on 12 November 2016, Admiral called to advise you that your car had been recovered. It asked you to call the Police compound about the release of your car so it could recover it, inspect it and determine if it could be repaired. Your policy was reinstated.

On 22 November 2018, after your car was released, Admiral called you to say it would recover your car to one of its Approved Repairers (AR). You asked how long it would take to repair your car; Admiral explained an engineer would inspect it, provide an estimate for the repairs, and if there were no concerns, the repairs would be approved. It said there was no set timeframe for this but it would let you know as soon as possible.

Admiral called you on 1 December 2016; it confirmed the repairs had been authorised and it said the AR would contact you about this, as well as the provision of a courtesy car. It confirmed you were liable to pay the policy excess on completion of the repairs.

On 21 December 2016, your car was repaired and costs relating to this were paid under the policy.

On 8 January 2017, you called Admiral about the renewal invitation you'd received. Admiral checked and said in January 2016 your premium was £1,107; you said it was now around £4,000. Admiral confirmed you had two open claims but it said you still had 11 years NCD. The adviser checked with the claims team to ensure the claims recorded against the policy were correct; the adviser said you could speak to the claims team if you wanted to discuss the status of the claims in greater detail.

The adviser then ran through the policy and the renewal quote with you to see if it could be reduced; it was reduced to £3,587.10 and the adviser confirmed this was the best price. You said you thought the NCD protection would protect the premiums but Admiral confirmed it didn't. You were then transferred to the claims team.

You didn't renew your policy; you took out insurance with a different insurer.

As you know, during my investigation of your previous complaint (reference 2082-5727), you raised some further points of concerns, which resulted in this complaint being set up. Following this, Admiral investigated these concerns and it issued its final response letter on 19 December 2018.

Admiral confirmed your car was originally stolen and then later recovered. It said if your car had remained unrecovered it would've paid the market value of your car. But because your car had been recovered and was deemed repairable, it had repaired your car and paid the repairs under the policy. It said it didn't pay you the market value because your car was deemed repairable.

Admiral also confirmed premiums change each year and there are a number of risk factors which form part of a quote and the premium you're quoted and/or charged. And it said following a claim, the risk changes, which is what happened with the quote you received. But it said it was still your decision whether you accepted the quote (which you didn't).

On 10 January 2019, Admiral issued a second final response letter, in response to your comments on 24 December 2018. It acknowledged the letter sent to you on 9 November 2018 was poorly worded; it said at that time your car was stolen and unrecovered, hence the total loss. And it said if it had remained unrecovered, it would've offered you the market value of the car. But it also stated what happened after your car was recovered and repaired. And it said it was standard practice to cancel the policy following the theft of a car if it was unrecovered, in order to avoid any liability while the car was in the hands of a thief.

However, you remained unhappy, so your complaint was passed to me to investigate.

my findings

I appreciate the letter of 9 November 2016 and the calls prior to this date focused on your car being a total loss, but this was because it had been stolen and at that time was unrecovered. But Admiral also explained on what terms a total loss settlement would be paid (unrecovered or unrecovered and unrepairable).

Then when your car was recovered on 12 November 2018, Admiral made you aware your car would be assessed and if deemed repairable, it would be repaired, which is what happened. You were also kept up to date with the repairs. So based on what I've seen, I can't say Admiral has acted outside of the policy terms, because your car was repairable and was repaired under the policy.

In terms of the cancellation, Admiral told me it is standard practice for a policy to be cancelled if a car is stolen – it said this is solely because it prevents Admiral potentially being held liable for an incident that might occur whilst your car is in the hands of the thief, which in turn would likely affect your premiums. But the cancellation itself didn't impact on you; the policy was reinstated when your car was recovered; Admiral continued to deal with the claims made under your policy, including the repairs claim.

In turning to the renewal quote you received in January 2017, it's important to say insurers calculate what price to charge based on the risk they think a policyholder presents. We won't generally tell an insurer how it should assess the risk or what price it should charge to cover that. But we can check to see if an insurer has worked out a policyholder's price fairly; that it's in line with its internal guidelines, and that it hasn't singled a policyholder out.

I asked Admiral to send me information to show me how it calculated the renewal quote it sent you for the renewal of your policy in January 2017. This information is sensitive to Admiral's business which means it's confidential, so I'm sorry I can't share this with you. But having checked this information, I can see the increase in your premiums was due to the claims recorded against your policy. Admiral use criteria like the cost of the claim etc to calculate its price, and you've had two claims in a short period of time which has led to a substantial increase.

So I'm satisfied Admiral worked out the renewal quote fairly. And it treated you in the same way it would any of its other customers in the same situation. It also reviewed the quote for you when you called and reduced it to £3,587. But you didn't accept the quote and you purchased a policy with a new insurer.

I can also confirm your NCD remained at 11 years, although the protection was removed due to the number of claims recorded against your policy within the last three years. This was in line with the policy terms.

So while I appreciate you said you thought the 'protection' meant your premium would stay the same, this isn't the case. So based on what I've seen, I can't say Admiral has acted unfairly or unreasonably, in the circumstances.

my conclusions

In light of the above, and based on the available documentary evidence, I can't conclude Admiral has acted unfairly or outside of the policy terms, when dealing with your repairs claim or cancellation of the policy. I'm also satisfied it calculated the renewal quote in January 2017 based on its own internal guidelines, so I can't say it has treated you unfairly or that it has singled you out.

I'm therefore unable to uphold your complaint.

what happens next

I think this is a fair outcome in the circumstances, for the reasons I've explained. But if you decide that you don't accept what I've said then please let me know by **21 June 2019**. If I can't resolve things then an ombudsman here can look at everything again and make a final decision. If I don't hear from you by **21 June 2019**, we might not be able to look at your complaint again.

If you have any questions, please get in touch.

Yours sincerely



Sharon Packer
adjudicator

direct line 020 3487 2328
direct fax 020 3487 2329
email Sharon.Packer@financial-ombudsman.org.uk