

## **complaint**

Miss S's car was stolen and she made a claim against her motor insurance policy with Admiral Insurance Company Limited. She complains about Admiral's handling of her claim.

## **background**

Unfortunately, in June 2015 a thief or thieves stole Miss S's car from a dealership's forecourt. It hasn't been recovered. Admiral carried out an investigation. In November 2015, it told Miss S that, if it had known about a conviction of one of the named drivers, her premium would've been higher. Admiral didn't think that Miss S deliberately kept this information from it.

Later in November 2015, Admiral offered to settle Miss S's claim on a total loss basis. It said it would pay a proportion of the loss as Miss S only paid a proportion of the premium.

The adjudicator didn't think that Admiral's approach was fair. She said that the named driver's conviction wasn't material to Miss S's claim following the theft of her car. The adjudicator recommended that Admiral settle Miss S's claim, less the amount of the underpaid premium. She also recommended that Admiral pay Miss S compensation of £100 in relation to parts of its investigation.

Admiral didn't agree. It said that it was following both legislation and guidance in dealing with Miss S's claim. It thought its approach was fair. Admiral said that it had also found an undisclosed claim for one of the named drivers. That meant the underpaid premium was higher than it first thought, but it didn't want to alter the settlement figure as that would be to Miss S's disadvantage. Admiral didn't agree to pay Miss S compensation of £100.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with the adjudicator's view.

If Admiral had known about the named driver's conviction, it would've charged Miss S a higher premium. Admiral doesn't think that Miss S deliberately didn't tell it about the named driver's conviction. This service's settled view is that in cases such as this, insurers should take a proportionate approach. But that doesn't mean it's *always* fair to settle the claim in proportion to the premium that was actually paid.

In the particular circumstances here, I think a fair outcome is for Admiral to settle Miss S's claim in accordance with the terms of her policy and deduct from the settlement the additional premium she would've paid if Admiral had known about the named driver's conviction. That's because, as the adjudicator said, the information Miss S didn't tell Admiral wasn't material to her claim for theft. Also, because of the high value of the claim, a strictly proportionate settlement would place Miss S in a much worse position than if Admiral simply deducted the additional premium she would've paid if it had known about the named driver's conviction.

In relation to Admiral's handling of Miss S's claim, it's entitled to investigate the circumstances of the claim but its investigations appear to have taken some time in this case. Also, Admiral's investigators gave one of the named driver's incorrect information, which caused Miss S some difficulty. In all the circumstances, I think Admiral should pay Miss S £100 for her trouble and upset in relation to its handling of her claim.

### **my final decision**

For the reasons I've set out above, my final decision is that I uphold this complaint. I now require Admiral Insurance Company Limited to:

1. Deal with Miss S's claim in accordance with the terms of her policy and deduct from the settlement the additional premium she would've paid if Admiral had known about the named driver's conviction.
2. Pay Miss S simple interest on the sum at 1. above, at the rate of 8% a year, from the date of claim until the date of settlement.
3. Pay Miss S £100 in relation to her trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 19 February 2016.

Louise Povey  
**ombudsman**