

## **The complaint**

Mrs Q complains, through her husband Mr Q, that Admiral Insurance Company Limited is responsible for poor service in connection with a motor insurance policy.

## **What happened**

The Financial Ombudsman Service deals with a consumer's complaint against an insurance company or other regulated financial firm. In our final decision we name that firm, but we don't identify any other party.

A car manufacturer made a top of the range sports hatchback that was first registered in December 2017 with a "67" plate. It became Mrs Q's car in August 2018.

From early April 2019, Mrs Q was the policyholder and Mr Q was a named driver on a policy covering the car. The policy covered accident damage (subject to a policy excess of £800.00). It didn't cover mechanical failure. Admiral was responsible for dealing with claims. Where I refer to Admiral, I include its repairer and others insofar as I hold Admiral responsible for their actions.

In December 2019, Mrs Q's car was involved in an accident and suffered frontal damage. Admiral arranged for repair including the replacement of the radiator. On about 12 February 2020, the repairer said the car was ready. But Mr Q held the repairer responsible for a missing wheel cap and damage to the rear and inside the car.

After Mr Q paid the £800.00 excess to the repairer, Mrs Q got the car back on about 18 February 2020. Mr Q wasn't happy with the steering. Their second child was born on 7 March 2020. In mid-March 2020, Mr Q got Admiral to pay for a specialist to do wheel alignment and balancing. Shortly after that, the first Covid-19 restrictions took effect.

In late June 2020, the car's engine failed. Neither Mrs Q nor Admiral has replaced it. So the car has remained undriveable.

In mid-July 2020, Mr Q had the car inspected by a dealer franchised by its manufacturer. The dealer said that a hose attached to the radiator was incorrectly routed and secured and had been leaking for some time. As the radiator hadn't had enough coolant, the engine had overheated and needed to be replaced at an estimated cost of over £8,000.00 plus VAT.

Mr and Mrs Q complained to Admiral that it was responsible for this. The dealer later did a report at a cost of £75.00 plus VAT, a total of £90.00.

In mid-August 2020, Admiral got an independent assessor to look at the car. It said the breakdown was unrelated to the repair. Admiral wrote a final response dated 18 August 2020. It offered £30.00 for shortcomings in its communication. But it didn't accept the complaint about engine damage.

In late August 2020, Mr Q got a report from an engineer at a cost of about £250.00. That report identified other aspects of poor repair such as poor paintwork and panel alignment.

Mrs Q brought her complaint to us in September 2020.

*our investigator's opinion*

Our investigator recommended that the complaint should be upheld in part. She didn't find any evidence that the garage caused the additional damage to wheels, bumper and interior of the car. She thought that the damage to the engine is likely a result of the repairs completed following the accident.

The investigator recommended that Admiral should:

1. cover the cost of replacing the engine; and
2. cover the cost to Mrs Q for getting the reports, £90.00 and £250.00; and
3. pay for an estimate to complete the remaining damage to the vehicle as identified by the late August 2020 report; and
4. cover the cost of these repairs by a repairer of Mrs Q's choosing; and
5. pay an additional £250.00.

*my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mrs Q and to Admiral on 25 February 2021. I summarise my findings:

On balance I held Admiral responsible for losing the wheel cap.

Mr Q hadn't shown on balance that Admiral was responsible for damaging the rear paintwork or a rear light or the driver's door lining.

Admiral's poor repair of the radiator and hose poor repair led directly to the engine failure.

Subject to any further information from Mrs Q or from Admiral, my provisional decision was that I was minded to uphold this complaint in part. I intended to direct Admiral Insurance Company Limited to:

1. pay Mrs Q the amounts of £90.00 and £250.00 in reimbursement for the reports; and
2. pay Mrs Q simple interest at a yearly rate of 8% on each of those amounts from the date of each report to the date of reimbursement. If Admiral considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mrs Q how much it's taken off. It should also give her a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate; and
3. provided that she transfers ownership of the car and makes it available for collection with all relevant keys and documents - pay Mrs Q, without deducting another policy excess, the market value of the car as it would've been in June 2020 if the accident damage had been properly repaired in February 2020; and

4. pay Mrs Q £400.00 for distress and inconvenience.

Mrs Q accepts the provisional decision. But Mr Q is disappointed that the provisional decision didn't uphold additional damage to the rear and inner door liner of the vehicle. He says that once they have the final decision, they will take the private plate off the vehicle. Once they have the new V5c and the V777 retention documents from DVLA, they will happily transfer the vehicle over with all service history and with both sets of keys.

Admiral hasn't responded to the provisional decision.

I see no reason to change my view.

### **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.

Mr Q has done a thorough job in providing service history, a timeline of events, photographic images and engineers' reports. He has said that they changed the car's registration plate to one that was personal to Mrs Q. I can see that the car had a service in September 2019.

From a photograph of the car at the scene of the accident in December 2019 and a photograph at Mrs Q's father's house later, I find that the front offside wheel had a cap or boss. After repair in February 2020, Mr Q complained that the cap was missing. So, on balance I hold Admiral responsible for losing it.

A photograph of the car at the repairers shows minor damage to the paintwork on the rear of the car. The December 2019 accident damage was to the front. I find that Mr Q hasn't shown on balance that Admiral was responsible for damaging the rear paintwork or a rear light.

A photograph shows damage to the driver's door lining. I find that Mr Q hasn't shown on balance that Admiral was responsible for damaging it.

The reports show that – before the breakdown in June 2020 – someone had incorrectly routed and secured the radiator hose and added a leak retardant. In normal times, a lot could've happened between the repair in February 2020 and the breakdown in June 2020. But the odometer readings show a difference of only around 600 miles.

So I find that Admiral is responsible for poor repair of the radiator and the hose. And – to its credit – Admiral now accepts the reports and the investigator's opinion. Surprisingly, the franchised dealer confirmed to Admiral's first assessor that the temperature sensor wouldn't have worked after a loss of coolant. I'm satisfied that the poor repair led directly to the engine failure.

The late August 2020 report also identified other aspects of poor repair such as poor paintwork and poor panel alignment.

### **Putting things right**

I've thought about how best to try to put Mrs Q back in the position she should've been in if Admiral had repaired the car properly in February 2020.

I find that Admiral should reimburse the costs of the reports, with interest at our usual rate.

I don't consider that it would be fair to put Mr and Mrs Q to the further trouble of getting repair costings and waiting for Admiral to decide whether to treat the car as a total loss or to take further time to repair it.

I find it fair to direct that Admiral should pay Mrs Q the market value of the car as it would've been in June 2020 if the accident damage had been properly repaired in February 2020. That is without deducting another policy excess. And it is provided that she transfers ownership of the car and makes it available for collection with all relevant keys and documents. This will free her from the issues of the condition of the car, including mould.

In addition, I've thought about the distress and inconvenience caused by the poor repair in February 2020 and the loss of use of the car from late June 2020 to date. I find it likely that the inconvenience has been mitigated to some extent by the availability of Mr Q's car and by the Covid-19 restrictions. Overall, I find it fair and reasonable to direct Admiral to pay Mrs Q £400.00.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Admiral Insurance Company Limited to:

1. pay Mrs Q the amounts of £90.00 and £250.00 in reimbursement for the reports; and
2. pay Mrs Q simple interest at a yearly rate of 8% on each of those amounts from the date of each report to the date of reimbursement. If Admiral considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mrs Q how much it's taken off. It should also give her a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate; and
3. provided that she transfers ownership of the car and makes it available for collection with all relevant keys and documents - pay Mrs Q, without deducting another policy excess, the market value of the car as it would've been in June 2020 if the accident damage had been properly repaired in February 2020; and
4. pay Mrs Q £400.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs Q to accept or reject my decision before 26 April 2021.

Christopher Gilbert

**Ombudsman**