

The complaint

Mr H and Ms S are unhappy with the way Admiral Insurance (Gibraltar) Limited (Admiral) handled their home insurance claim when their home and holiday rental property were damaged by a flood. The buildings and contents policy was in joint names but, for ease, I'll refer only to Mr H. Any reference to Admiral includes its agents.

What happened

Briefly, in August 2019 Mr H claimed under his policy when his home and separate rental property suffered significant flood damage. Admiral accepted the claim and started repairs seven months later. The repairs stopped after two days because of the national lockdown. The claim is still ongoing.

Mr H raised the following complaints with Admiral:

- There were delays and lengthy gaps in communication.
- Admiral didn't follow up on work with its agents.
- His home was left in a poor state.
- Admiral tried to cash settle after starting repairs.

Admiral accepted it had made mistakes and agreed with all parts of Mr H's complaint. It offered him a total of £750 compensation for the shortfalls in service, but Mr H remained unhappy. He didn't think the offer was enough. Mr H also complained that Admiral hadn't included the possible damage to his rental property shower room in its consideration of his claim. Admiral asked our service to decide this element of the claim because it didn't think it was necessary to replace the walls and tiles.

Our investigator upheld Mr H's complaint. She didn't think Mr H had provided any evidence to show that the shower room walls and tiles needed replacing. But, she said if Mr H arranged an independent assessment which provided evidence of damaged walls, then Admiral should consider his submission and cover the cost of the report. Otherwise, our investigator agreed with the shortfalls Admiral acknowledged in its final response letter. Admiral identified significant shortfalls in its handling of Mr H's claim, including delays of five months, lack of communication, and trying to cash settle even though repairs had already started. Having considered the evidence, our investigator thought an additional £1,000 compensation was fair.

Neither Admiral nor Mr H agreed. Admiral said Mr H refused to allow it access to carry on with repairs unless it agreed to work on the shower room too. Mr H asked for more compensation considering the overall ongoing poor claim handling.

The complaint was passed to me to decide.

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've decided to uphold Mr H's complaint for broadly the same reasons as our investigator. I'll explain.

Mr H raised three complaints with Admiral. My decision here is about the events from September 2020 until Admiral issued its final response letter of March 2021. I've also considered the events from March 2021 to November 2021 because Admiral gave permission to our service to include the outstanding dispute about the shower room.

Shower room

Mr H complains that Admiral should've repaired his shower room because it must've suffered similar flood damage to the rest of the property. He doesn't want to find damage in the future which should've been addressed as part of this claim. Admiral says there's no evidence of any damage to repair.

Looking at the evidence and the damage caused to other parts of his property, I can see why Mr H would be concerned that there is hidden damage. However, I haven't seen anything to suggest that there is. I've looked at the expert report Mr H provided, which says:

cannot assess that there is no damage to the plasterboard nor to the adhesive holding on the tiles on the wall. Upon inspecting the floor tiles and wall tiles, I could see no sign of cracked grout. This would initially suggest that the walls and floor are sounds. However, due to the amount of water that was in the room, it is impossible to determine if this is the case.

The report goes on to recommend stripping back to bare walls and floor, inspecting, and reinstating using new materials.

I've thought carefully about this, but I don't think it's reasonable to expect Admiral to search for damage when there's no outward sign of any. It's Mr H's responsibility to show that damage has occurred and according to his expert's report there is nothing to indicate that it has (or hasn't). Should Admiral cover the cost of the investigation and it turns out there's no damage, the repairs with new materials would constitute betterment. The policy provides cover for an insured event that is proven, not a possibility, however likely it may be to Mr H.

Therefore, I'm satisfied that it's reasonable for Admiral to complete work on the shower room wall *only* if evidence becomes available to show that the flood caused damage that needs repairing. As it stands, I won't be asking Admiral to do anything more in respect of the shower room.

Compensation

Both parties agree that there were service shortfalls which warrant compensation. Admiral paid £750 compensation to Mr H in recognition of delays, missed appointments and the way the claim was handled overall. Our investigator proposed a further £1,000 but Mr H didn't think it went far enough.

I've looked at the timeline of events and the evidence provided to decide whether Admiral's offer was fair, and whether Mr H's claim that an additional £1,000 wasn't enough is reasonable. There's no dispute about the shortfalls Mr H experienced in Admiral's handling of his claim, so I won't discuss each point in detail: instead I'll list some of the main points:

- Mr H and Ms S were concerned about a further winter in a home which they found uncomfortable and, in parts, unusable because of outstanding repairs, such as a hole in their living room ceiling.
- Both Mr H and Ms S are considered vulnerable, with health issues that may be affected by the adverse conditions their home was left in.
- Although loss of rental income for their holiday home isn't covered under the policy, the property wasn't available to them for their personal use either.
- Admiral was responsible for at least five months of avoidable delays.
- Admiral failed to respond to Mr H with updates when he asked for them.
- It missed numerous appointments.
- When it seemed progress would be made after Admiral visited again to assess the repairs, two months passed without any further contact.

Having considered the overall handling of this claim, and the distress, inconvenience and frustration Mr H and Ms S report experiencing, I'm satisfied that an additional £1,000 compensation, as proposed by our investigator is warranted. While Mr H thinks it should be more, I must make it clear that the compensation I'll require here is in recognition of the issues between September 2020 and November 2021, as explained above. It's likely Mr H will, understandably, be thinking about the whole experience, including any ongoing issues. But I haven't taken them into consideration when deciding on the compensation in respect of this complaint.

Admiral didn't think further compensation was necessary. It pointed out that Mr H wouldn't let it back into his property until it agreed to complete the additional repairs to his shower room. Mr H disagrees.

I've listened to the recording of the call when this matter was discussed. Mr H said he wanted the kitchen work doing with the hallway repairs because it was all part of the same room. He also complained that he didn't have a schedule of work, so he didn't know what was being done. At no point in the call did Mr H say Admiral couldn't complete repairs unless it agreed to repair his shower room. Therefore, I can't agree that Admiral was prevented from completing repairs because of the dispute over the shower room.

In summary, there's no dispute that Admiral didn't handle the claim as well as Mr H could've expected and that caused avoidable delays, inconvenience, confusion about how the claim was being handled, and distress. Admiral has already paid £750 compensation in recognition of some of those shortfalls, but I'm satisfied an additional £1,000 is fair. While Mr H doesn't think that's enough, I should remind him that the compensation is for the shortfalls from September 2020 to November 2021, and it doesn't address any ongoing issues.

My final decision

For the reasons given above, my final decision is that I uphold the complaint and Admiral Insurance (Gibraltar) Limited must:

- pay Mr H and Ms S compensation of £1,000 in addition to the £750 already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Ms S to accept or reject my decision before 17 May 2022.

Debra Vaughan
Ombudsman