

The complaint

Mr J complains about Admiral Insurance (Gibraltar) Limited (Admiral) handling of his claim, under his home insurance policy.

What happened

In March 2021, Mr J made a claim following an escape of water at his home. The claim was accepted by Admiral who contracted out the repairs to be carried out. Mr J moved out to allow the work to progress. But the work progressed very slowly despite Mr J regularly contacting Admiral to chase.

Mr J describes that there was very little work being carried out and his property was left uninhabitable. He described that the impact on his health was such that he was signed off sick from work.

Mr J complained to Admiral. In its final response, it agreed that there was poor communication, poor service and delays. It estimated that the delays were around three to four months and acknowledged the distress and inconvenience this would have caused. It offered and paid £400 compensation for this.

Mr J was given his referral rights and referred his complaint to our service. One of our investigators considered the complaint and thought it should be upheld. He said that Admiral had now started the work which was good. He accepted that the delays and poor communication had had an impact on Mr J's wellbeing. And recommended that Admiral increase the level of compensation to reflect this to £1,000.

Admiral accepted the view Mr J did not. He felt that our investigator hadn't considered the impact on his mental health and the effect this had on him. He said that the repairs still had not been completed and the areas that had been completed were of a poor standard. He asked for a decision from an ombudsman.

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.

Having done so, I will uphold this complaint, but for much the same reasons as our investigator. I understand that this may be a disappointment to Mr J, but I hope my findings go some way in explaining why I've reached this decision.

I note that Mr J has made a number of detailed points, which I have read and considered. I hope the fact that I don't respond in similar detail here won't be taken as a discourtesy. As an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it isn't necessary for me to respond to every point made, but to concentrate on the crux of the issue. And I think the main issue

here, as Admiral has accepted the poor service and delays, is the level of compensation that our investigator has recommended that Admiral pay.

Our investigator recommended that Admiral pay £1,000 for the distress and inconvenience caused. His main reason why he thought the level of compensation was reasonable was because he felt that Mr J had suffered a significant level of distress and inconvenience, due to Admiral's poor level of communication and the disruption to his life. In that, Mr J told our investigator that he had been signed off work for six months due to general anxiety as a result of the delays and the slow progress of the claim.

Admiral accepted that there were poor customer service issues and delays caused. It accepted that its original offer of £400 compensation wasn't enough and has agreed to increase the compensation to £1,000.

Mr J said that he believed that given the effect on his mental health, the level of compensation ought to be from £1,500 upwards. So, I think that the main issues is the level of compensation, Mr J has sought from Admiral.

In order to consider a higher level of compensation as Mr J has requested, our approach is that an award of over £1,500 would be appropriate where the error caused sustained distress, potentially affecting someone's health or severe disruption to daily life. But we would also expect to see some ongoing lasting impact on someone's health, that are irreversible or resulted in a personal injury.

I have read five fit notes that Mr J has provided. It appears that he was signed off from work from 14 September 2021 until 22 November 2021 – so around two months. Each of the notes say the same illness, caused by 'stressors at home and work'. From this evidence, it appears that there may have been issues at work which were partly responsible for Mr J being signed off of work.

Mr J explained that his doctor had misinterpreted what he had told him. He said that the stressors of work shouldn't have been mentioned on the reports. Although, I understand what Mr J has said, he submitted five separate records. And what is of note is that each and every record, states exactly the same illness and the same cause of illness. Had this been an error, I would've expected Mr J to have pointed this out to ensure that the notes correctly reflect the reasons why he was signed off of work.

Also, although Mr J has offered to obtain a further report from his doctor, I think that it would be more likely than not that the notes made by the doctor would be contemporaneous, made at the time, which is a better reflection of what happened at that time. So, I think that there were stresses at work (in addition to those at home) that contributed to Mr J being off of work.

I have next considered whether Mr J has provided any evidence of any ongoing lasting impact on his health that was irreversible or resulted in personal injury. Mr J said that his mental health suffered, and he had been prescribed medication. He also said that he was signed off sick from work for six months. But, from the evidence that he has provided, there were five sick notes which supported just over two months signed off sick. He has also provided a recent sick note, which shows evidence of being a total of around three months signed off sick.

As I previously mentioned, the sick notes provided limited information and do not support that there was any lasting impact on his health that was irreversible or resulted in a personal injury. And because of all of this, I can't be satisfied that Mr J has reached the threshold, for the award to be higher than the amount recommended by our investigator.

Finally, Mr J has raised a new complaint about the standard of the work being carried out at his home. He tells me that he has raised this with Admiral. As this new complaint is currently being dealt with by Admiral, I am unable to consider it with this complaint. If Mr J however, is not happy by the outcome that Admiral propose, he might have the option to be able to refer it to our service.

Putting things right

Taking all of this into consideration, I do think that Mr J suffered significant distress and inconvenience and I do think that should be reflected in the compensation that Admiral ought to pay. So, I think it's fair and reasonable for Admiral to pay a total of £1,000 to Mr J, for the trouble and upset caused.

My final decision

For the reasons given, I uphold Mr J's complaint.

To put matters right, Admiral Insurance (Gibraltar) Limited to:

Pay Mr J £1,000 compensation for the trouble and upset caused.

Admiral Insurance (Gibraltar) Limited must pay the amount within 28 days of the date on which we tell it Mr J accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

If Admiral Insurance (Gibraltar) Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr J how much it's taken off. It should also give Mr J a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 6 October 2022.

Ayisha Savage
Ombudsman