

The complaint

Miss S complained about the poor customer service she received from Admiral Insurance Company Limited (“Admiral”) under her home insurance policy.

What happened

Miss S’ neighbour alerted her to a leak coming from her property, so Miss S raised a claim under her policy. The claim was complicated by a couple of factors (location of leaking pipe and policy limits), which meant it was unclear whether Admiral as her home insurer should be managing the claim or her home emergency provider.

Due to these complications, Miss S said she felt she was passed between departments and no one took ownership of her claim. She felt that the communication from Admiral was poor. Miss S said she paid for a platinum service and didn’t think Admiral had provided her any help or understanding. She felt emotional, stressed, and deflated.

It took four weeks for the leak to be fixed and Miss S had to leave her property as her toilet wasn’t serviceable. Miss S chose to stay with a friend. Miss S wants the excess to be waived on her policy.

Admiral agreed that Miss S was passed between departments and no one took ownership for the claim, so paid £50 compensation for the distress and inconvenience this caused. It also paid Miss S £25 compensation when there was some confusion with invoices supplied when the settlement of the claim was determined. However, Admiral didn’t think its overall communication was sub-standard and didn’t think it caused any delays.

Our investigator decided to uphold the complaint. She thought the level of distress and inconvenience suffered by Miss S was higher than what Admiral compensated her for. So, she increased the compensation by £75 for the time Miss S spent on calls trying to speak to someone to determine how to get her claim covered.

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 won’t be able to waive the excess from the policy as this is a contractual clause from the policy that would need to be honoured. It would only be the insurer’s right to waive this payment. However, I can look at whether the level of compensation paid is fair in the circumstances of this complaint.

The circumstances of what happened are familiar between the parties and were covered at length by the investigator in her view to them. As neither party responded to the view, I think its fair to assume these details are an accurate reflection of the timeline of events, so I won’t be repeating this detail in my decision. Instead, I will focus on the outcome of my decision.

In claims, it's the insurer who is the expert in managing the claims, with the claimant often been new to making a claim or a novice. Therefore, my expectation is that Admiral in the claim should've at the start taken ownership for what the claim was and advised on the appropriate course of action. When Miss S made her claim, she was at her most vulnerable and this is the time she would've expected Admiral to step up and take charge of the situation.

It's clear Admiral didn't do this. Miss S was transferred between departments as Admiral didn't take ownership. Admiral said it communicated with Miss S. This maybe the case, but unfortunately that communication was ineffective as she was left confused and left to her own devices to sort her claim out.

Therefore, I uphold this complaint as I don't think Admiral has done enough as Miss S' insurer to manage her claim for her. I've noted that Admiral were pro-active in offering Miss S alternative accommodation when the need arose. However, as she was happy to stay with her friend, Admiral paid a daily allowance. I think this was a reasonable approach to take.

I've considered the level of compensation I think is due. I agree with the investigator's view, that £150 compensation is fair (an increase of £75 on what was paid by Admiral). I think that this recognises that with any claim there will be a normal level of inconvenience to be expected. The leak wasn't caused by Admiral, so it wasn't Admiral that caused Miss S to have to move out of her home. There is also a period at the start of a claim where it is fair for an insurer to validate the claim and understand what has happened. However, I think Admiral didn't handle this part as well as it could've done. This resulted in more time on calls for Miss S. She experienced additional stress in trying to get her claim covered and the inconvenience of her claim been slightly extended. So, in summary, I uphold the complaint and award a further £75 in compensation.

My final decision

My final decision is I uphold this complaint, I require Admiral Insurance Company Limited to pay Miss S:

- £75* compensation - for distress and inconvenience.

* Admiral Insurance Company Limited must pay the compensation within 28 days of the date on which we tell it that Miss S accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 25 August 2022.

Pete Averill
Ombudsman