

The complaint

Mr M complains that Admiral Insurance Company Limited mishandled his claim on his motor insurance policy.

Where I refer to Admiral, I refer to the insurance company named above, and I include employees and others insofar as I hold Admiral responsible for their acts or omissions.

What happened

Mr M has a toddler son whose grandparents live in continental Europe.

The subject matter of the claim and the complaint is a car first registered in 2017. For the year from mid-June 2020, Mr M had the car insured on a comprehensive policy with Admiral.

Unfortunately, on 11 May 2021, a third party's vehicle hit Mr M's parked car which suffered a broken wing mirror and other bodywork damage. Admiral instructed a repairer.

Mr M told the repairer the car had a loss of engine power. The repairer sent the car for diagnosis by a garage franchised by the car maker. Admiral or its repairer provided a courtesy car. In mid-June 2021, the policy expired. Mr M had to take out temporary insurance for the courtesy car - but it didn't cover driving in continental Europe.

In late June 2021, the franchised garage said that the car needed a new throttle body.

By about mid- July 2021, Admiral's repairer had ordered parts for the bodywork repair and got the car back from the franchised garage.

Mr M complained to Admiral. Admiral wrote a final response dated 23 July 2021. It said it was sending Mr M a cheque for £120.00.

On 19 August 2021, the repairer returned the car to Mr M. But there was an issue with a window.

Mr M arranged to have the throttle body replaced. But this didn't fix the issue of lack of power. The franchised garage told Mr M that the problem was a sensor – so he had that replaced. Mr M made a further complaint to Admiral about incorrect diagnosis.

Admiral wrote a final response to some of the complaint points in mid-September 2021. It said it was sending £100.00 for distress and inconvenience. Admiral wrote a further final response dated 21 September 2021, saying that it would reimburse Mr M for the temporary insurance costs.

In mid-January 2022, Mr M sent us a complaint form. He asked for compensation for financial loss, inconvenience and distress.

By a final response dated 1 March 2022, Admiral accepted the complaints in part. It said its repairer had rectified the window. It accepted responsibility for incorrect information about

the throttle body. It said it would pay a further £150.00 compensation.

our investigator's opinion

Our investigator recommended that the complaint should be upheld. He thought that Admiral was responsible for delay, distress and inconvenience and for the unnecessary replacement of the throttle body. He thought that there could be a possibility that the sensor might be claim related.

The investigator recommended that Admiral should:

1. increase the compensation award for the whole complaint to £750.00 (in total);
2. refund Mr M the costs related to the replacement of the throttle body subject to Mr M providing Admiral with proof of the loss. 8% simple interest should be added to this amount from the date Mr M paid this until the date this is settled;
3. reinstruct an engineer to consider if the sensor replaced by Mr M's mechanic could have been damaged in the incident. If it's found this was the case, Admiral should reimburse Mr M for the costs of the replacement – subject to proof of his loss.
4. refund Mr M with any costs incurred due to having to take out temporary insurance on the courtesy vehicle if this hasn't already been done.

my (first) provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr M and to Admiral on 14 July 2022. I summarise my findings:

The franchised garage initially mis-diagnosed the throttle body as the cause of lack of power. I'd found that the accident didn't cause damage to the throttle body.

But the diagnosis was done on the instruction of Admiral. So I was minded to hold Admiral responsible for the misdiagnosis. That was the cause of Mr M paying the franchised garage a sum (previously estimated at about £700.00) to replace the throttle body.

I expected Mr M – in response to the provisional decision – to provide a copy of the franchised garage's invoice and evidence of his payment. Subject to that, I was minded to find it fair and reasonable to direct Admiral to reimburse Mr M.

As he will have been out of pocket since he paid the invoice, I was minded to direct Admiral to pay interest at our usual rate.

Admiral tried to put things right. It paid a total of £370.00 for upset, inconvenience and calls. In addition, Admiral reimbursed the temporary insurance costs.

Taking into consideration the length and seriousness of the distress and inconvenience, I was minded that it was fair and reasonable to direct Admiral to pay Mr M a further £130.00.

Subject to any further information from Mr M or from Admiral, my (first) provisional decision was that I upheld this complaint in part. I intended to direct Admiral Insurance Company

Limited to pay Mr M:

1. if he has shown us evidence of payment of the franchised garage's invoice:
 - 1.1 the amount of about £700.00 in reimbursement for the throttle body; and
 - 1.2 simple interest on that amount at a yearly rate of 8% from the date of his payment to the date of Admiral's reimbursement. If Admiral considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr M how much it's taken off. It should also give Mr M a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and
2. in addition to what it has paid already, £130.00 for distress and inconvenience.

my (second) provisional decision

After considering all the evidence, I issued a second provisional decision on this complaint to Mr M and to Admiral on 12 August 2022. I summarise my findings:

In response to the provisional decision, Mr M had provided copies of the following:

franchised garage's invoice 25 August 2021	£ 522.44
franchised garage's invoice 8 September 2021	£ 151.74
mechanic invoice (handwritten)	£ 400.00
total	£1,074.18

The invoice for £522.44 was for the supply of a throttle body. And it had payment card details. So I found that Mr M paid it on 25 August 2021. I'd found that the misdiagnosis was the cause of Mr M paying to replace the throttle body. So I found it fair and reasonable to direct Admiral to reimburse Mr M the £522.44 . As he will have been out of pocket since he paid the invoice, I intended to direct Admiral to pay interest at our usual rate.

Taking into consideration the length and seriousness of the distress and inconvenience, I found it fair and reasonable to direct Admiral to pay Mr M a further £130.00 in addition to the £370.00, a total of £500.00. As Mr M says he hasn't banked one of the cheques, I intended to direct Admiral to pay him £500.00 insofar as it hasn't already paid him that amount for distress and inconvenience.

Subject to any further information from Mr M or from Admiral, my second provisional decision was that I upheld this complaint in part. I intended to direct Admiral Insurance Company Limited to pay Mr M:

1. the amount of £522.44 in reimbursement for the throttle body; and
2. simple interest on that amount at a yearly rate of 8% from 25 August 2021 to the date of Admiral's reimbursement. If Admiral considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr M how much it's taken off. It should also give Mr M a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and
3. £500.00 (insofar as it hasn't already paid him that amount) for distress and inconvenience.

Mr M agreed with the second provisional decision.

Admiral disagreed with the second provisional decision. It says, in summary, that:

- It got the expert opinion of the manufacturer's main dealer and passed it to the customer in good faith.
- The customer chose to have the work done, using the main dealer's diagnosis. It isn't Admiral's diagnosis and isn't Admiral's responsibility.
- The main dealer is responsible, and the customer needs to complain with them.
- The provisional decision will affect all future referrals to main dealers.
- It is wholly unfair for Admiral to be responsible for the main dealer's misdiagnosis, incorrect work completed, and the customer being charged for said incorrect work.

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.

Admiral's policy terms contained the following exclusion:

"Section 3: Exclusions which apply to sections 1 and 2

What is not covered

We will not pay

- *for wear and tear*
- *for any loss or damage caused by mechanical, electrical, electronic, computer failures, breakdowns or breakages"*

So the policy didn't cover a new throttle body or sensor – unless they were damaged in the accident for which Mr M was making a claim.

Admiral's engineers pointed out that the throttle body and its sensor are located near the engine – and that the accident involved a minor impact. Mr M hasn't pointed to any engineering evidence that the impact damaged the throttle body or its sensor. So I find that the accident didn't cause damage to the throttle body or its sensor.

More recently, Mr M has suggested that damage to the wiring of the wing mirror caused damage to the sensor. But he hasn't pointed to any engineering evidence of that. So I don't find that damage to the wiring of the wing mirror caused damage to the sensor.

Admiral says that it isn't responsible for the delay into July 2021 while the car was at the franchised garage. However, I consider that Admiral could and should have been more decisive that the issue of loss of power wasn't related to the accident.

Instead – in mid-May 2021 – Admiral instructed the repairer as follows:

*"I'm happy for the loss of power to be investigated. Once diagnosed please send over the findings for review so we can decide if related or not.
Please supply all invoices for this also"*

So I find that it was Admiral's decision to go along with - and pay for - sending the car to the franchised garage for investigation and diagnosis. Admiral or its repairer was the customer of the franchised garage, with the right to complain about any shortcomings in its service.

Admiral or its repairer could've done more to chase the franchised garage or to cancel its involvement. So I hold Admiral responsible for the delay in ordering parts and starting repair on the bodywork.

From what Mr M and Admiral have each said, the franchised garage initially mis-diagnosed the throttle body as the cause of lack of power. I've found that the accident didn't cause damage to the throttle body.

But the investigation and diagnosis were done on the instruction of Admiral. So I hold Admiral responsible for that investigation and misdiagnosis. The misdiagnosis was the cause of Mr M paying to replace the throttle body.

In an email dated 13 September 2021, Mr M said the following:

"In essence I did pay over 600£ to replace a throttle body that needed no replacement and additional 210£ to address the real issue"

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mechanic invoice (handwritten)	£ 400.00
total	£1,074.18

The invoice for £522.44 is for the supply of a throttle body. And it has payment card details. So I find that Mr M paid it on 25 August 2021. I've found that the misdiagnosis was the cause of Mr M paying to replace the throttle body. And I've held Admiral responsible for that misdiagnosis. So I find it fair and reasonable to direct Admiral to reimburse Mr M.

The invoice for £151.74 is for "*sending unit*" which I find likely was the throttle body sensor. I've found that the accident didn't cause damage to the sensor. And I find that the misdiagnosis didn't cause Mr M to pay to replace the sensor. So I don't find it fair and reasonable to direct Admiral to reimburse the cost of that to Mr M.

The mechanic's invoice is handwritten. The date is unclear and some of the spelling is incorrect. But I find that the invoice was for a "*deposit for throttle body*". That doesn't say it's for labour to fit that part. And the total of £522.44 plus the £400.00 would be a total of £922.44. That would be much more than Mr M said in his email of 13 September. Also, there are no payment details or other evidence of payment of the £400.00. So I don't find it fair and reasonable to direct Admiral to reimburse that to Mr M.

Admiral or its repairer provided a courtesy car. Admiral offered to reimburse the cost of temporary insurance and says it paid £781.52 in October 2021. In response to the (first) provisional decision, Mr M has confirmed that he did receive that payment. So I don't find it fair and reasonable to direct Admiral to pay it to Mr M.

I accept that Admiral was responsible for delay and poor communication. Also, the repairer returned the car with a problem with a window, which it later accepted responsibility to fix. So I've thought about the impact of these shortcomings on Mr M.

Mr M hasn't provided enough detail to show a loss of earnings.

I accept that he had to spend time chasing for progress and updates between May and August 2021 (and to pursue his complaints). Although he had a courtesy car, he couldn't drive himself and his son to see family on the continent. He was upset that he had to arrange and pay for temporary insurance. He was also upset that he had to arrange and pay for an unnecessary new throttle body.

Admiral tried to put things right. It paid a total of £370.00 for upset, inconvenience and calls. In addition, Admiral reimbursed the temporary insurance costs.

Putting things right

I find it fair and reasonable to direct Admiral to reimburse Mr M £522.44. As he has been out of pocket since he paid the invoice, I will direct Admiral to pay interest at our usual rate.

Taking into consideration the length and seriousness of the distress and inconvenience, I find it fair and reasonable to direct Admiral to pay Mr M a further £130.00 in addition to the £370.00, a total of £500.00. As Mr M says he hasn't banked one of the cheques, I will direct Admiral to pay him £500.00 insofar as it hasn't already paid him that amount.

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 pay Mr M:

1. the amount of £522.44 in reimbursement for the throttle body; and
2. simple interest on that amount at a yearly rate of 8% from 25 August 2021 to the date of Admiral's reimbursement. If Admiral considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr M how much it's taken off. It should also give Mr M a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and
3. £500.00 (insofar as it hasn't already paid him that amount) for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 26 September 2022.

Christopher Gilbert

Ombudsman