

## **The complaint**

Mr H and Miss F complain that Admiral Insurance (Gibraltar) Limited haven't dealt with their contents insurance claim fairly, and they are being pushed into receiving back possessions which they are not satisfied have been properly cleaned and are safe.

## **What happened**

In August 2020 Mr H and Miss F's property was flooded with around four inches of water, which caused damage to their personal possessions.

They contacted Admiral, who sent one of their agents to assess the damage four days after the flood.

As that agent could not complete the work quickly enough, a second agent was appointed and they attended the property and removed the items four weeks after the flood.

The items were recovered by the agent, assessed, tested and cleaned and made available for collection from 20 November 2020. Some items were deemed beyond economic repair (BER) and Admiral agreed to make payment for these.

Mr H and Miss F have raised a number of issues with Admiral during the period that the claim was being dealt with, including an item that went missing and a dispute over whether an item was restorable. These two issues have been resolved, and payments agreed. So far Admiral have settled £12,109.55 in respect of items deemed BER, and they have also paid £650 compensation to Mr H and Miss F in respect of delay and failures in service. However, the main concern still outstanding from Mr H and Miss F is that the remaining items have all been affected by the toxic flood water to some extent, and they are not happy about having them back without evidence that they have been thoroughly cleaned and tested for toxicity. They are concerned about the safety of these items for themselves and their daughter.

Admiral have said that they are satisfied that the items have been thoroughly cleaned and are ready to be returned.

Mr H and Miss F were unhappy with this and so they complained to us.

One of our investigators has looked into Mr H and Miss F's complaint. He thought that Admiral have applied the terms and conditions of the policy fairly, but that Admiral and that should pay an additional £300 compensation for failings in their service.

Mr H and Miss F disagreed with our investigator's view and so the case came to me to review.

I issued a provisional decision on the complaint, and then a supplementary document addressing the storage costs element which amended my provisional decision. My provisional findings were as follows:

What I have to decide is whether Admiral have acted in accordance with the terms and conditions of their policy, and fairly and reasonably decided the claim.

I have read the schedule and the policy wording which were provided to Mr H and Miss F, the notes from Admiral's system, and the testimony of Mr H and Miss F.

Page nine of the policy booklet states under the section 'How we will settle your claim':

*"We will either pay to repair the item, restore the item (for example use professional cleaners for a carpet spillage), pay the cost of repairing it, replace the item as new, or make a payment up to the amount we could repair, restore or replace the item for after deducting any discount we would have received from our own suppliers."*

And so, it is fair for Admiral to triage and assess the items in the property to see whether they are BER or can be restored.

### **Assessment of the contents**

Mrs H and Miss F say that when the first agent attended the property four days after the flood, they advised that the vast majority of items would be deemed BER including all material items and electrical equipment which had been exposed to the black flood water. However, when the second agent collected the items four weeks after the flood and assessed them, the majority of the items were deemed fit to be restored and returned including the vast majority of electrical items which had been PAT tested.

Mr H and Miss F remained concerned about the disparity in this advice and the safety of the restored items that had been affected by potentially toxic water. They have asked for reassurance before the items are returned that they are safe.

I have now seen the report which was provided by the first contractor following the initial visit. The report lists the "affected areas" as the garage, kitchen, lounge, hall, bedrooms and bathroom, but it doesn't list which items it considers to be BER. It says that the items will need to be removed for assessing and that "We will arrange triage to remove contents to allow other works at the property and remove all items that can be restored for restoration and those that can't for disposal"

On the basis of this report, I am satisfied that despite any verbal communication to Mr H and Miss F by the first contractor, no proper assessment of the damage to contents had been made prior to the second contractor removing them for assessment, and although Mr H and Miss F believed they had been told the majority of contents were BER, the first contractor would also have taken the items away for proper assessment, and the outcome would likely have been the same.

I am also satisfied from the claim notes and copy correspondence provided that Admiral made their position clear to Mr H and Miss F from the beginning, which was that any items that were restorable would be cleaned and returned.

So, I've then thought about two further issues:

- whether Admiral have demonstrated that they have appropriately and thoroughly cleaned and restored the items that are being returned, and fairly categorised the items that are to be classed as BER.
- Whether the amount of the settlement for the items BER is fair and reasonable.

## **The repair and restoration of items**

Admiral say that their contractors have cleaned and restored the items that are to be returned to a high standard.

They have PAT tested all of the electrical equipment and have only deemed fit for return those items that passed the testing and so are considered to be electrically safe to use. Looking at the BER and restore lists, I can see that the majority of items being returned would have been on counter tops and in cupboards so I don't think it is unreasonable that these items have passed PAT testing and are unaffected.

However, Mr H and Miss F have specifically raised concerns about the laptop, which they say was submerged in the water and is likely not to function properly. I can see that this has been PAT tested and passed for electrical safety, but given their testimony, it would seem likely it may not work properly in the longer term and so I think it is reasonable for Admiral to replace the laptop.

I also consider that Admiral should replace the petrol lawnmower. This item was tested and returned to Mr H and Miss F early on but was smoking and leaking oil and so it was collected again by Admiral shortly after for reassessment and possible repair. Mr H and Miss F heard nothing further and it has never been returned. Mr H and Miss F have now replaced this at a cost of £280 which I think it is fair for Admiral to cover.

In respect of the other non-electrical contents, Admiral have provided us with confirmation that the soft contents of the property have been restored using the specialist machine which is "designed to clean over 90% of soft contents and textiles impacted by category 2 & 3 Water Damage, Heavy smoke and soot, Trauma Clean up and much more" They provided a detailed description of the cleaning process used which uses special detergents including a stage 3 sanitiser of Hydrogen Peroxide which reverts to H<sub>2</sub>O once it has killed the bacteria present, and they say that following this process, items are sanitised to Food Grade Clean.

Following cleaning, ATP testing is carried out. The ATP tester is used in food processing to measure growing microorganisms. The invoice for the contractor shows that 20 ATP swabs were used by the contractor and so some swabbing and testing did take place.

Mr H and Miss F still have concerns because they feel that the swab testing wasn't extensive enough given that there were hundreds of items cleaned. However, I wouldn't expect the contractor to swab every single item that is cleaned. The contents would have been placed in the cleaning machine in batches, and so I consider that random sampling of some items in the batches is adequate. If no issues were identified during the sampling – which is the case here – I wouldn't expect them to undertake more extensive testing.

And so, I am satisfied from the information provided to me about the process that these contents have been adequately cleaned and are safe to be returned.

It may be that when they are examined by Mr H and Miss F that they are unhappy with the quality of the restoration, but any dispute about individual items would then need to be raised with Admiral.

## **The amount of the settlement**

In total, Admiral have paid Mr H and Miss F £12,109.55 in respect of their contents claim so far.

The original BER list was costed by Miss F and totalled £5963.50 which included £1580 for CD's. Admiral said that they wouldn't look to pay to replace CD's and instead would pay £300 for downloads. They later agreed to pay £6 per CD after discussion with Mr H. I consider either offer is reasonable and provides an adequate replacement within the terms of the policy.

Admiral then confirmed in their e mail of 5 October 2020 that they had also made a further deduction in respect of "wear and tear". They later defined this as "wear and tear from kitchen groceries such as biscuits, seasonings as these had been used", items they consider overvalued (greetings cards) and some items which they considered had no value, such as jotters and paperwork. This further deduction amounted to £1095. However, I can't see how this has been calculated. The total value of the food items claimed is only £393.50 which I don't consider is excessive for the whole of the food contents of the kitchen, and the greetings cards, jotters etc only amount to £321, so I can't see how Admiral reached a total of £1095. I have asked Admiral for a costed list of the items it has allowed settlement for, but this hasn't been provided, and so on the basis of that I can't fairly say that the deduction of £1095 made is justified, and I think that Admiral should repay this.

Following this initial payment for BER items, further items were added to the BER list and paid for such as beds, duvets and pillows, speakers, extension cables and toys.

### **Storage Costs**

Admiral made it clear to Mr H and Miss F that they wouldn't meet storage costs after 7 June 2021, and they were required to take their possessions back. So, storage costs have been accruing since then, which Admiral say Mr H and Miss F are liable for.

I have been provided with evidence from the contractor's records which shows that Mr H and Miss F made contact with the contractor on 6 June 2021 and agreed to receive their items. However, due to work commitments, they asked for a weekend delivery. The note records that the contractors "are attempting to arrange a suitable date".

However, no further contact appears to have been made with Mr H and Miss F about this, despite them making at least 3 further calls to the contractors to find out what was happening.

I therefore don't consider that Mr H and Miss F should be held responsible for the ongoing storage costs as the delivery of the items is out of their control. The contractors are agents of Admiral, and so I'm satisfied that Admiral should continue to pay storage costs from 7 June 2021 until such time as a weekend delivery date is secured and agreed. This should be within one month of me issuing my final decision as I consider that this is a reasonable time within which Admiral can make the appropriate arrangements and Mr H and Miss F can make themselves available. If Mr H and Miss F don't make themselves available in that period, Admiral will cease to be liable for storage costs.

### **Trouble and upset**

The investigator has awarded Mr H and Miss F an additional £300 for the delays and poor service not covered by the previous awards.

I agree that an additional award is appropriate. There has been confusion throughout about what was happening and what items were being treated as BER, with a delay in the final list being produced. I can also appreciate how frustrating it has been for Mr H and Miss F having

to dispute several individual items and some items being missed off the initial lists, and so I think Admiral could have done better here.

In the light of these findings, I therefore intended to uphold Mr H and Miss F's complaint, and I invited the parties to comment.

### **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 also taken into account the comments made by both sides.

Following receipt of Mr H and Miss F's comments to the provisional decision, I raised some further queries with Admiral, and I then issued an amendment to the storage costs element of the decision. Mr H and Miss F have made further comments on this, asking for a staggered delivery. I am not going to be making a direction to that effect because I feel this matter now needs to be drawn to a conclusion within the next month, although Mr H and Miss F may wish to make that request themselves to the contractor.

I have considered their comments in relation to the other items, but I am satisfied that these issues have already been addressed in the provisional decision, and that I have reached a fair outcome in respect of all the other items.

Admiral accepted my original provisional decision and haven't made any further comment on the amendment in relation to storage costs but I understand they have made contact with Mr H and Miss F.

And so, in light of the above, I'm making my final decision in line with my provisional findings and the amendment.

### **Putting things right**

To put things right, Admiral should:

- Pay the £1095 that was deducted in respect of the wear and tear usage of food etc
- Pay for a replacement laptop of similar specification and value
- Pay £280 for the replacement lawnmower
- Pay £300 for further distress and inconvenience
- Pay all further storage costs until such time as a weekend delivery date is secured and agreed. This should be within one month of me issuing my final decision as I consider that this is a reasonable time within which Admiral can make the appropriate arrangements and Mr H and Miss F can make themselves available. If Mr H and Miss F don't make themselves available in that period, Admiral will cease to be liable for storage costs.

### **My final decision**

My final decision is that I am upholding Mr H and Miss F's complaint about Admiral Insurance (Gibraltar) Limited and directing them to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F and Mr H to accept or reject my decision before 29 December 2022.

Joanne Ward  
**Ombudsman**