

The complaint

Miss G complains about Admiral Insurance (Gibraltar) Limited's (Admiral) handling of her claim, under her motor insurance policy, following an accident when driving.

What happened

Miss G was involved in a car accident in December 2020. She contacted Admiral and it initially told her the car was a total loss. Payments were made to her finance company and a residual payment to her based on the market valuation of the car. It was subsequently decided that the car could be repaired. Miss G describes how this caused problems with her finance company chasing her for payments.

Miss G says that after the car was repaired and returned to her, it developed a further issue with overheating. Admiral didn't initially think this issue was related to the accident damage but later changed its mind. It took a number of months for Miss G's car to be referred to the main dealer for further assessment and repairs.

Miss G says she has been caused a great deal of inconvenience and distress because of poor communication, poor claim handling and Admiral's failure to repair her car properly over an extended period.

In its complaint response Admiral acknowledged it had provided a poor standard of service. It paid Miss G £640.71 in relation to finance payments. It says this is because it felt it was partly responsible for the financial hardship, she experienced due to incorrectly identifying her car as a total loss. Admiral also paid £30 compensation for unnecessary calls Miss G had to make during her claim. And it paid £725 compensation for the distress and inconvenience she had experienced.

Miss G didn't think this compensation was enough to acknowledge the issues she had experienced over a period of around 12 months. So, she referred her complaint to our service.

Our investigator upheld her complaint. He thought the standard of service and communication had been poor at times and that Miss G had been caused inconvenience and distress over a significant period. He says a total compensation payment for £800 was fairer in these circumstances.

Admiral accepted this outcome. Miss G didn't and asked for an ombudsman to consider the matter.

It has been 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.

Having done I've decided to uphold Miss G's complaint. I won't be adding to the

compensation our investigator proposed. I understand this will come as a disappointment to Miss G, but I will explain why I think my decision is fair.

I'm sorry that Miss G has experienced problems with her car being repaired. It's clear that issues have continued over a long period. This must have been upsetting for her.

My remit here is to consider the complaint issues Miss G raised to Admiral prior to its November 2021 response. I understand she has ongoing concerns that are being dealt with as a separate complaint. I can't consider these issues here.

I can see that when Miss G's car was first assessed following her accident in December 2020, Admiral concluded it was a total loss. I understand this was based on photos of the damage. It valued the car based on what it thought the market value was at the time of the loss. Most of the money was paid to the finance company Miss G had an arrangement with. With a small amount left over that was paid directly to her.

From the records, Miss G contacted Admiral on several occasions to discuss retaining the car. There is some reference in the notes to this potentially causing complications as the payment had already been provided to the finance company. The notes show internal communications about whether the car could actually be repairable as opposed to a total loss. I can see that on 16 January 2021 it was explained to Miss G that her car wasn't a total loss. This meant the payments Admiral had made to the finance company and Miss G had to be recovered. The notes show arrangements would be made to provide a hire car.

I acknowledge Miss G's comments that trying to sort this issue out caused her to have panic attacks and was very distressing. She says the finance company chased her for payments, which caused her financial difficulty. She didn't think she should pay all the monthly payments because at the time Admiral had confirmed her car was a total loss. I can see that Miss G spent a lot of time in contact with the garage, Admiral, and her finance company when dealing with the matter.

I've read all the records provided by Admiral. It's clear that it didn't consider it was responsible for Miss G's finance payments. It says if the vehicle had initially been considered repairable, she would have had to pay this amount anyway.

I've thought about whether it was fair for Miss G to have to pay her car finance instalments during this period. Admiral did initially treat her car as a total loss. This wasn't the correct position, which was identified when the car was inspected. So, it was at fault that the total loss decision was taken, which resulted in the settlement payment. This did cause confusion and I agree with its view that it should accept part of the blame that Miss G struggled to afford the backdated payments subsequently demanded by her finance company.

That said, the finance agreement was Miss G's responsibility. As the car wasn't a total loss, she is liable to make the payments as she would have if this hadn't happened. So, I don't think Admiral was responsible to pay the outstanding finance amounts. But I do think it acted fairly by paying Miss G £640.71 to acknowledge its part in the problems she experienced. So, I won't ask it to do any more in relation to this point.

Miss G has described that following the accident repairs carried out by Admiral's repairer, her car has been overheating. This has meant having to stop driving to allow the car to cool down.

From the record's Admiral's repairer didn't initially think that the problem was related to the accident. It says the issue is with the thermostat, which is located within the engine. The damage to Miss G's car was to the front bumper and radiator. It didn't think the thermostat

had been damaged because of the collision and says this component can fail at any time. This position subsequently changed when an independent assessor confirmed the thermostat issue was related to the repairs Admiral's garage had completed.

Admiral agreed that Miss G's car would be sent to the main dealer for investigation and for repairs to be carried out. I note Miss G's comments that this didn't take place for around eight months after the initial accident repairs were completed. I can see from the records that the main dealer required authorisation from Admiral to continue with its investigations and repairs. It appears that there were delays in Admiral responding to these requests. This caused a delay of around three weeks with the main dealer.

I note Miss G says she was without a courtesy car because of Admiral delaying authorisation to the main dealer. This meant she incurred travel costs as a result. From what I've read there was no reasonable explanation for the delay. Admiral says it will reimburse the reasonable travel costs demonstrated by Miss G. I think Admiral is responsible for the delay and the impact this had on Miss G being without transport. So, I think it's fair that it pays the costs she incurred.

I've thought about the ongoing issues Miss G experienced as a result of her car overheating. I can understand that this must have been upsetting and frustrating for her. I acknowledge the impact she says this had on her mental health. Although it was initially disputed that this fault was related to the accident damage, Admiral now accepts the thermostat issue was related to the repairs its garage carried out. In these circumstances I think it's reasonable that it should compensate Miss G for the upset she experienced because of this ongoing issue.

Admiral acknowledges that its standard of service and communication has been lacking throughout the handling of Miss G's claim. I think this is shown in the records provided and from the copy correspondence I have read. It was fair for Admiral to pay £30 to acknowledge the cost of additional calls Miss G had to make to it and to the other parties involved. I also think it was fair that it paid compensation for the trouble and upset it caused. But I agree with our investigator that a total payment of £800 is reasonable in these circumstances. This is in line with our service's approach to compensation for distress and inconvenience.

Miss G has experienced further issues with her car. As discussed this is being dealt with as a separate complaint. So, I won't be commenting on these points here.

Having considered all of this, I don't think Admiral treated Miss G fairly because of the delays, poor communication, the lack of a hire car and confusion caused by the initial total loss decision. I think it was reasonable that it paid £640.71 towards her finance payments, and in the compensation it provided. But I think it should increase the total compensation payment to £800 for the distress and inconvenience it caused.

My final decision

My final decision is that I uphold this complaint. Admiral Insurance (Gibraltar) Limited should:

- pay Miss G an additional compensation amount of £75 for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 17 January 2023.

Mike Waldron

Ombudsman