

## **The complaint**

Mrs S complains that Admiral Insurance (Gibraltar) Limited mishandled her claim on her motor insurance policy.

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

## **What happened**

The subject matter of the claim and the complaint is a sports utility vehicle, first registered in 2018.

For the year from mid-February 2021, Mrs S had the car insured on a comprehensive policy with Admiral.

Unfortunately, in mid- December 2021, the car was involved in an incident and suffered frontal damage. Mrs S made a claim to Admiral. It arranged for the car to be taken to its repairer.

Mrs S complained to Admiral about poor communication and service. By a final response dated early January 2022, Admiral upheld that complaint in part. It said it was sending Mrs S a cheque for £50.00.

By late February 2022, Mrs S had made a further complaint. In late April 2022, Admiral told Mrs S of her right to bring her complaint to us.

Mrs S brought her complaint to us in early May 2022.

In mid-July 2022, Mrs S made a further complaint to Admiral. It sent a further final response. Admiral upheld Mrs S's complaint in part. It said it was sending her a cheque for £200.00 for distress and inconvenience and a further £25.00 as an apology for delay in responding to her complaint.

### *our investigator's opinion*

Our investigator gave an opinion in early August 2022. He said that he would deal with the complaint about events up to 6 May 2022, when Mrs S brought the complaint to us. He recommended that the complaint should be upheld in part.

He thought that Admiral hadn't given Mrs S enough updates, which had caused additional distress and inconvenience. He recommended that Admiral should pay Mrs S £300.00 for the distress and inconvenience up to 6 May 2022.

### *my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mrs S and to Admiral on 17 November 2022. I summarise my findings:

Admiral should've communicated better. It should've responded to Mrs S, in particular when it had said it would. I accepted Mrs S's complaint that the impact of Admiral's poor communication included that she had to contact Admiral to chase for information. And she felt that Admiral was ignoring her.

I kept in mind that Mrs S has a health issue and wished to avoid stress. Overall I considered that – in addition to the £50.00 paid in January 2022 – a further £300.00 would be fair and reasonable compensation for distress and inconvenience up to early May 2022.

Subject to any further information from Mrs S or from Admiral, I intended to direct Admiral to pay Mrs S – in addition to the amounts of £50.00 and £200.00 it had already paid – a further £100.00 for distress and inconvenience

Neither Mrs S nor Admiral has responded to the provisional decision. So I see no reason to change my view.

### **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.

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules. We look at a consumer's complaint about an unfair act or omission by an insurance company or other regulated financial firm. Where we uphold a complaint about an unfair act or omission, we look at its impact on the consumer and we may direct the firm to take steps to put that right.

One of the rules has the effect that a consumer must first make a complaint to the firm and wait for up to eight weeks for a final response before we can investigate that complaint. Also, our procedure requires an investigator's opinion on a complaint before we can give a final decision on it.

In Mrs S's case, the investigator said he was looking at events up to 6 May 2022. Notwithstanding the final response in July 2022, my final decision will deal only with acts or omissions up to 6 May 2022.

Admiral's policy terms included the following:

*"What we will pay*

*We will decide how to settle your claim and will either pay.*

- to repair your vehicle*
- a cash sum to replace the damaged vehicle.*

*If we give you a cash sum, the most we will pay is the market value of the vehicle.*

*Should we deem your vehicle repairable but are unable to complete or guarantee the repairs, we will offer you a cash sum to cover reasonable costs of parts and labour.*

*...*

*A decision will be made based on the garage/engineer's recommendation."*

That term meant that Admiral could choose whether to pay for a repair or to pay a cash sum. It said that a decision would be based on the recommendation of the garage or engineer.

The policy terms contained the following exception:

*“We will not pay...*

*7. For any loss in the market value of your vehicle as a result of it being damaged or stolen”*

In my view, that means that Admiral did not have to pay for diminution in the value of the car as a result of the stigma of it having been damaged and repaired (or stolen and recovered).

The policy terms also contained the following term:

*“If you do not wish to use our approved repairers an additional excess will apply, which will be confirmed on your Policy Schedule. We will be unable to provide you with a courtesy car. You will need to give us an estimate from your preferred repairer.”*

So Mrs S could instruct a repairer of her choice, but Admiral wouldn't provide a courtesy car. The accident was a shock to Mrs S. The need to make a claim was, in my view, bound to involve a level of inconvenience, for example in communicating with Admiral.

When she brought her complaint to us in early May 2022, Mrs S's complaint form included a statement that she still hadn't got her car back or received an update. So I accept that she was complaining about delay and poor communication up to that time.

From what I've seen, I find it likely that Admiral was responsible for some unnecessary delay up to that time. But Mrs S had the benefit of a hire car, which mitigated her inconvenience.

In early May 2022, Mrs S's complaint form included a statement that, in late December 2021, she had asked for a second opinion on her car. She sent us the initial repair estimate of about £8,750.00. Mrs S said that this omitted some damage. From what has happened since, I find it likely that Mrs S was correct, in particular that the estimate hadn't included damage to the offside driveshaft.

However, I consider that Admiral had the right to decide to repair the car based on the recommendation of the repairer. I don't consider that Admiral should've got a second opinion in late December 2021.

Mrs S could've instructed another repairer. But the policy terms said that if she did, Admiral wouldn't have had to continue to supply the hire car.

I don't consider that – in deciding whether to repair the car - Admiral had to take into account the cost of the hire car. I don't find Admiral's decision to repair the car unfair or unreasonable.

Admiral should've communicated better. It should've responded to Mrs S, in particular when it had said it would. I accept Mrs S's complaint that the impact of Admiral's poor communication included that she had to contact Admiral to chase for information. And she felt that Admiral was ignoring her.

I keep in mind that Mrs S has a health issue and wished to avoid stress. Overall I consider that – in addition to the £50.00 paid in January 2022 – a further £300.00 would be fair and reasonable compensation for distress and inconvenience up to early May 2022.

Mrs S's complaint form in May 2022 didn't (or couldn't) contain a complaint about any of the following:

- After she'd made the claim, she had to pay keep paying for the insurance (the

balance of the premium for the year to mid-February 2022 and the renewal premium for the following year).

- The car's warranty expired.
- Admiral caused uncertainty about the availability of a hire car.
- Her car didn't pass the inspection in early September 2022. But she hasn't been given any information since.
- She still didn't have her car back as at late October 2022.
- She's paying for insurance she cannot currently use.
- She wouldn't feel safe driving the vehicle when it's returned.
- Admiral did an MOT in September 2022.
- The car did 120 miles during the repair.
- Any other act or omission post-dating early May 2022.

So I won't comment on any of the above list of issues.

Nevertheless, I've seen that Admiral's final response in late July 2022 tried to put things right for some delay and poor communication (and the expiry of the warranty).

### **Putting things right**

So I find it fair and reasonable to give Admiral credit for its payments of £50.00 and £200.00. I intend to direct Admiral to pay Mrs S a further £100.00 for distress and inconvenience (arising from acts or omissions up to early May 2022).

### **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Admiral Insurance (Gibraltar) Limited to pay Mrs S – in addition to the amounts of £50.00 and £200.00 it has already paid – a further £100.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 16 January 2023.

Christopher Gilbert

**Ombudsman**