

## **The complaint**

Mr W complains about how Admiral Insurance (Gibraltar) Limited (“Admiral”) handled a claim on his motor insurance policy.

## **What happened**

Mr W had a motor insurance policy with Admiral covering his car, which is mainly used by his family members.

In December 2021 his car was damaged when a third party crashed into it while it was parked, causing damage to the bumper and side. He contacted Admiral on 19 January 2022 and notified it about the crash. Mr W said to Admiral that he was just informing it about the incident as he was claiming direct from the third party. He said the car was damaged, but driveable.

Admiral saved the claim on its system as needing no further action and later closed the claim.

Mr W spoke to Admiral on 7 February and asked why Admiral hadn’t taken any action on his claim. Admiral’s claims handler checked the details of the claim and said that because of the nature of the incident, he’d need to claim under his policy with Admiral. Mr W’s claim was re-opened and Admiral made arrangements with Mr W to repair the car at a location convenient for him.

About a week later, Mr W’s car failed its MOT test because of the damage that’d been caused in the crash and some pre-existing issues.

Admiral’s repairer looked at the car on 1 March. The car was booked in for repairs in April, and no courtesy car was available in the meantime. On 19 April Mr W asked for a courtesy car from the repairing garage. The courtesy car was supplied to him on 21 April and repairs were carried out over the next two weeks.

Mr W complained to Admiral about the length of time taken to repair the car, and the lack of updates and communication during his claim. He says he called Admiral repeatedly but it didn’t respond to him or offer him a courtesy car.

He asks for compensation for his distress and inconvenience, the return of his excess, and the cost of an intensive driving course for a family member who was unable to use the car during the period it was off the road. He says he has continued to pay his premiums throughout the period, even though he said he couldn’t use the car.

Mr W paid his excess of £325 and Admiral told him that he’d be able to use another company, who I’ll refer to as L, to get his excess back. When Mr W tried to arrange the refund of his excess, L told him that it couldn’t help because his excess was lower than its minimum criteria. Mr W complained to Admiral about this. He chased up Admiral repeatedly, but it didn’t ring him back.

Admiral didn't respond within eight weeks, so he brought his complaint to this service.

Admiral then responded and awarded him £50 compensation for his trouble and upset, and an additional £25 for the delay handling his complaint. It apologised for its poor communication during the claim.

Our investigator looked into Mr W's complaint and didn't uphold it. She said she didn't think Admiral had acted unfairly, but it hadn't explained the claims process well enough or kept Mr W up to date. She didn't uphold Mr W's complaint as she thought the compensation Admiral offered was fair.

Mr W didn't agree with the view. He asked that his complaint was reviewed by an ombudsman, so it has been passed to me to make a final decision.

I issued a provisional decision to give both parties the opportunity to consider things further.

This is set out below:

*Mr W's complaint about Admiral covers several areas, so it's important that I deal with the various parts separately. By doing this, I think it will answer several of Mr W's questions which would have been better answered by Admiral at an earlier stage in his claim.*

### **Claim notification**

*During Mr W's initial call to Admiral he says that he's unsure about the process he needs to follow. Admiral's claims handler tells Mr W about his options which were to claim under his Admiral policy, or from the third party's insurer. He explains that if Mr W claimed from it, his No Claims Discount (NCD) would only be reinstated when Admiral recovered the cost of the claim from the third party.*

*Mr W doesn't want to impact his NCD, and he agrees he'll contact the third party's insurance company and claim from it.*

*About three weeks later, Mr W re-contacted Admiral and said he'd been told by the third party that he needed to claim from his own policy. I can hear from the call that he's quite frustrated by the length of time he's been waiting for the repairs to start (which was six weeks from the incident). He mentions that he's been paying for the car to sit on the road since the incident and that it hadn't been driven for most of that time.*

*Admiral's claims handler looked into his details and confirmed that, because of the nature of the incident, Mr W would need to make his claim through Admiral.*

*I'm unsure why Admiral's first claims handler didn't tell Mr W this during the first call, but I think it's fair to say that the claim would have been underway much earlier if Mr W had been told this information initially.*

*In this second call, Mr W is also told his NCD won't be affected because it is "protected". Again, I'm unsure why he wasn't told this during the first call because the information should have been readily available to the claims handler.*

*It seems to me that Admiral caused a substantial delay in the early part of the claim. Its claims handler should have realised that Mr W would need to claim under his own policy and told him so. In the end Mr W was told this by the third party, which seems very unsatisfactory.*

*I can say that, perhaps, Mr W should have tried to progress his claim before this time had elapsed. I can even say that if Mr W had reported the incident in December, then Admiral might have dealt with his claim even quicker, but I feel it's fair to say that Admiral's poor handling of his first call meant an additional three weeks was added to the length of the claim. Mr W specifically told Admiral that he wasn't sure about what to do and I think he reasonably followed Admiral's directions, which weren't correct.*

### **Claims delay**

*In his second claims call, Admiral told Mr W that its approved repairers were quite busy. In the end, it took another three weeks for Mr W's car to be inspected. Before it was inspected, Mr W had the car put through an MOT test, which it failed. I can see from the MOT history that it'd failed due to damage caused in the accident and also because of some issues that were pre-existing.*

*The car was therefore out of use because it was waiting for Admiral's approved repairer to commence repairs, making it roadworthy.*

*The car was booked in for repairs about seven weeks later. I'm unsure why it took seven weeks for Admiral to start repairs as Admiral hasn't responded to this point, but I've mentioned above that Admiral's claims handler said that Admiral's approved repairers were very busy. I'm aware of delays in the global supply chain affecting how quickly parts can be supplied, but it seems to me that in Admiral's case its repairers were simply too busy. And I can't say that's Mr W's fault. I think Admiral should have done more to help him, or perhaps offered him to have his car fixed by a non-approved repairer.*

*I've said above that I think Admiral caused a three-week delay initially by giving Mr W the wrong information. I also think it's fair to say that Admiral were substantially at fault for the ten week total delay getting the car into the repairer (three weeks to have the car inspected, then a further seven weeks to start repairs).*

*It's important that I say here that motor claims often take some considerable time to be finished, but I also think it's fair to say that I'd expect an initial inspection to take place within about a week from claim notification.*

*Mr W's car isn't unusual or rare, so I also think it's fair to expect it to be with the repairer for work to be done within about four more weeks.*

*So, I'd expect a repair like this to take about five weeks to start, but Admiral took ten. Without further evidence from Admiral, I am minded to say that Admiral unfairly caused about half of the delay getting the car into its repairer.*

### **Excess**

*Admiral's policy wording talks about its treatment of policy excesses:*

*"Excess*

*The amount you must pay towards any claim for damage or loss of your car. Admiral will not be responsible to you for the excess under any circumstances. You are responsible for the excess even if the accident is not your fault or not the fault of any driver named on your policy."*

*Using its definition of excess, I can see that Admiral apply it to all claims, whether or not its own policyholder is at fault, or not (as in Mr W's case). So it's my understanding that Mr W*

would expect to pay his excess towards his claim, regardless of whether Admiral recover its costs from a third party.

*It seems to me that Mr W wasn't aware of this, but the policy wording is clear that it's his responsibility to pay that amount regardless of fault.*

*During his calls, there are different discussions about whether Mr W's excess might be recoverable from the third party, either by claiming directly from them or using the services of L.*

*When Mr W tried to use the services of L, he quickly found that his excess of £325 was below the minimum criteria for L, so it wouldn't help him get his excess back. L does not fall under the remit of this service and I'm unable to consider a complaint against it.*

*But Admiral referred Mr W to this service and told him L would help him to see if it can be recovered. I don't think this is good service from Admiral. It shouldn't have sent Mr W to L knowing that his excess was below the minimum criteria. It had the effect of raising his hopes of getting his excess back, but which wasn't possible under L's rules.*

*I can see from the file that this caused Mr W a great deal of distress and Admiral failed to respond to any of his complaints about what had happened.*

*This service can deal with complaints about regulated activities but unfortunately complaint handling is not a regulated activity, so it falls outside of our jurisdiction.*

*Mr W may need to seek legal advice should he wish to recover his excess from the third party.*

### **Courtesy Car**

*Admiral's policy includes a provision for a courtesy car. The cover under the policy says:*

*"Our approved repairers, or another company instructed by Admiral will:*

- arrange collection and re-delivery of your vehicle*
- give you a courtesy car while your vehicle is being repaired."*

*In common with most insurers, I would take this to mean that the courtesy car is provided while the car is in the repairer being fixed. I wouldn't typically expect this to be provided while waiting for the car to be taken to the garage for repairs, or for parts to arrive.*

*Mr W was provided with a courtesy car by the garage whilst the repairs were being carried out.*

*But I've said above that I think Admiral were directly responsible for three weeks of the delay with this claim, and bear about half of the responsibility for the further ten weeks.*

*I can see from Mr W's evidence that this car was a second car used by his family members and he says it's not in daily use when he's talking about it with Admiral.*

*When considering the impact of being without a car, it's this service's approach to award £10 per day, but I don't think I can fairly say Mr W was without a car during this period. I'd propose to reduce this payment by half due to the nature of use of this car. I've said that I think Admiral were responsible for about eight weeks of delay, so 56 days in total. Taking*

*half of this would mean I propose a payment of £280 to represent the inconvenience caused by Admiral delaying his claim.*

*During the time that his car was unusable, Mr W has said he needed to pay for an intensive driving course for a family member who was unable to use his own car to learn how to drive. That's not something I can fairly say is the responsibility of Admiral, because Mr W chose book and pay for the course rather than waiting for his car to become available again. So I'm not going to ask Admiral to pay for it.*

## **Service**

*It seems to me that Admiral's initial claims handling was poor. If Mr W had been given the correct information during that call, I think it's fair to say his claim would have proceeded much faster.*

*Mr W has told this service of his frustration with various elements of the claim, including the problem of being referred to another company who weren't able to help him.*

*He's mentioned making multiple calls per day to try and move his claim forward or get an update, and Admiral's almost complete lack of response to him.*

*I can see Admiral helped by arranging repairs to take place at Mr W's convenience, but the mistakes it made during the claims process initially caused a substantial delay. Admiral hasn't supplied a reason why it took so long for the repairs to begin, and it's my thinking that the initial delay awaiting inspection was so long that I think Admiral were simply too busy to handle Mr W's repairs.*

*Admiral's response has been poor throughout Mr W's claim which I can see has caused him considerable distress and frustration. I think the £50 compensation it awarded him isn't sufficient, and I think a total figure of £150 is more appropriate. This is in addition to the £25 it awarded him for the delay handling his complaint.*

## **Responses to my provisional decision**

Admiral responded and said it had nothing to add to my decision.

Mr W responded and said he didn't think £5 per day was sufficient to compensate him for the cost of keeping the car on the road.

He also asked that I remind Admiral about the possibility of the third-party insurer refunding his excess.

## **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 thought carefully about Mr W's comments about the ongoing costs of keeping the car on the road. It seems to me that Mr W would have had to pay these costs whether or not the car was being used, so I don't think it would be fair to ask Admiral to pay more for them. I think it's fair to say that while it wasn't in use, there would have been savings on fuel and consumables to offset other costs. Mr W had also said that the car wasn't in daily use, so without further evidence I think the 50% reduction I've applied is fair and reasonable.

I've dealt with Admiral's treatment of Mr W's excess in my provisional decision above, which

I think is clear. I would ask that Admiral assist by reasonably providing Mr W the information he needs to approach the third-party insurer.

### **My final decision**

For the reasons set out above, my final decision is that I uphold this complaint. I intend to direct Admiral Insurance (Gibraltar) Limited to pay Mr W:

- £280 for his inconvenience in not having a car for his family to use.
- £150 for his frustration with Admiral's failure to respond to his concerns. I'm aware that £50 has already been paid, so this can be deducted.
- £25 for the delays handing his complaint.

Admiral Insurance (Gibraltar) Limited must pay the amount within 28 days of the date on which we tell it Mr W accepts my final decision. If it pays later than this, it must also pay interest on the amount 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 Mr W to accept or reject my decision before 20 February 2023.

Richard Sowden  
**Ombudsman**