

The complaint

Mrs and Mr H complained about Admiral Insurance (Gibraltar) Limited. They are not happy about the way it dealt with a claim under their motor insurance policy.

For ease of reading any reference to Admiral includes the actions of its agents which it is responsible for.

What happened

Mrs and Mr H made a claim under their car insurance policy after being involved in an accident. Admiral considered the claim and offered the market value of the car. But Mrs and Mr H weren't happy about the settlement offer, the fact their car (salvage) wasn't returned to them and the poor service provided.

Admiral looked into things for them and increased the market value by around £1,000 and offered £150 for the trouble and upset caused in how it had dealt with the claim. As Mr and Mrs H remained unhappy they complained to this Service.

Our investigator looked into things for Mrs and Mr H and partly upheld the claim. He thought Admiral had offered a fair market value for their car, but that it should allow them to retain the salvage and pay an additional £100 compensation. However, it transpired Admiral had sold the salvage, so he asked it to pay a total of £750 compensation in acknowledgement of the fact that it had disposed of the car when Mrs and Mr H wanted to retain it.

As Admiral didn't agree the matter has been passed to me for review.

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.

As both sides have accepted the market value of the car and that the service provided was poor I'll focus on the main outstanding issue – that Mrs and Mr H weren't allowed to retain the salvage. And having done so I think the complaint should be upheld. I'll explain why.

Admiral have said it didn't allow Mrs and Mr H to retain the salvage as the car was a write off. It thought the damage, although medium and not structural, to the front-end was safety critical and that the car had mechanical problems in relation to the front suspension and steering and so wasn't a viable repair. However, Mrs and Mr H were told they could buy the car back as salvage as it was a category N. And given it was a category N there is no reason why the car couldn't have been returned to them.

I note Admiral have gone on to say that they didn't want to return the car to Mrs and Mr H as it felt it wasn't safe to do so. However, if that was the case I would expect the car to be marked as such with the correct category. A category N write-off is uneconomical to repair as opposed to being unsafe, so it isn't fair for Admiral to retain salvage (when the consumer wants the car back) in circumstances like this. And given it is clear that Mrs and Mr H wanted

to retain the salvage of the car, which they still owned, I would've expected the salvage to be returned to them.

Given all of this, I agree that Mrs and Mr H should be compensated for the car not being returned to them when it should have been, especially as they clearly wanted the salvage in order to repair the car themselves. I can understand how frustrating Mrs and Mr H found all of this and it seems clear that the salvage agent had collected the car before it was finalised whether Mrs and Mr H wanted to retain the car or not, so I agree a total of £750 compensation to cover this and the additional poor service provided seems fair.

My final decision

It follows for the reasons given above, that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to pay £750 (total) compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 12 April 2023.

Colin Keegan
Ombudsman