

The complaint

Mr S complains about the cash settlement Admiral Insurance (Gibraltar) Limited has offered him to repair his car after claims made on his motor insurance policy. He's also unhappy that it hasn't inspected further mechanical damage. He wants a settlement to pay for the repair of his car.

What happened

Mr S's car was damaged in two separate incidents, and he made claims on his policy. Admiral decided to pay him cash in lieu of repairing his car. But Mr S said the amount offered wasn't sufficient to repair his car. He provided three estimates from garages to show this. Mr S was also unhappy that Admiral wouldn't instruct an independent assessor to inspect further damage to his car that he thought was accident-related. He paid for an estimate for this further mechanical repair.

our investigator's view

Our Investigator recommended that the complaint should be upheld. She thought Admiral was entitled to pay cash in lieu of repairs. But she thought the amount offered should be sufficient to pay for the repairs to be made. She thought Admiral should increase its offer to Mr S to an amount within the range of the two lowest estimates he'd obtained.

And she thought Admiral should have instructed an independent assessor as Mr S had provided evidence that the damage could be accident-related. She thought it should now pay for this repair and reimburse Mr S for the cost of the estimate. She thought Admiral should provide Mr S with a courtesy car or cover his travel costs whilst the repairs were made. And she thought Admiral should pay Mr S £150 compensation for the trouble and upset caused.

Admiral replied that its cash in lieu payment was the claim settlement so it wouldn't provide a courtesy car or cover travel costs whilst repairs were made. It said it had already offered to increase the settlement to an amount it had negotiated with one of the garages that had provided Mr S with an estimate.

Admiral said this included a geometry check that would show whether there was further accident-related mechanical damage. And it would have then dealt with this. So it said it didn't need to appoint an independent assessor. But Admiral said it was willing to pay a supplementary amount for the work at the rates it had negotiated with Mr S's garage as a gesture of goodwill.

However, Mr S said this wasn't sufficient to pay for the repairs. Mr S asked for an Ombudsman's review, so the complaint has come to me for a final decision.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr S and to Admiral on 15 February 2023. I summarise my findings:

I could understand that Mr S wanted his car repaired. It's now a year since the accident and I couldn't see that this had been fully done yet. I could understand that this must have been

frustrating for him. Mr S thought that, as his claims were non-fault and so Admiral would recover its outlay from the other insurer, then it should pay for all the repairs that he said needed to be made. But I didn't agree. Admiral has a duty to justify its outlay for Mr S's repairs and to ensure that they are reasonable.

I could see that there had been some confusion about Mr S's complaint as Admiral recorded two separate claims for the two incidents involving one other driver. The damage to Mr S's car was in the same area and overlapped. So the repairer couldn't separate out what was covered under each claim. Admiral then decided to pay cash in lieu of repairs, as it's entitled to do by the policy's terms and conditions.

Mr S was unhappy with the settlement Admiral offered that was based on the estimate provided by its approved repairer. It asked Mr S to provide an estimate from his own garage. It thought this was inflated. So Mr S provided two further estimates. Admiral's engineer reviewed these and then negotiated a lower repairs cost for all the identified repairs with the garage that had provided the lowest quote. This reduced the repairs costs from £6,069.83 including VAT to £5,481.82 including VAT.

Admiral had already paid Mr S £3,545.70, and so it then paid him £1,936.12 more for his repairs some six weeks after the claim was made. As this sum was sufficient for the garage to carry out the identified repairs to the paint and bodywork, then I thought that was fair and reasonable. And so I didn't require Admiral to increase this.

I thought Mr S could then have had his repairs made and so mitigated his losses. And so I couldn't reasonably hold Admiral responsible for Mr S driving his damaged car for many months.

Mr S was also concerned that there were mechanical problems with the steering resulting from the incidents. We're not engineers. We don't assess whether or how damage to a vehicle would be caused as this is a matter for the experts in these situations, the insurance companies and engineers. Our role in these complaints is to determine whether an insurance company has considered all the available evidence and whether it can justify its decision to not pay for additional repairs.

Admiral said that it hadn't discounted that mechanical damage could have been caused to Mr S's car by the incidents, but it asked for evidence to show this. It said that when it negotiated the reduced repairs costs with Mr S's garage, it also included a geometry check. It said that this would identify any mechanical issues that were accident-related. It said it would then consider this evidence and supplementary costings as an additional cash in lieu settlement. But I couldn't see that Admiral explained this to Mr S at the time or that the geometry check was done.

Mr S provided a vehicle health check report, costing £124, from a dealer's garage that noted issues with the nearside wheel bearing and shock absorber. The report said, "Technician advises that there is a high chance that the shock absorber and wheel bearing are faulting as result of the crash damage". Admiral reviewed this, but it didn't consider it provided sufficient evidence to justify further repairs. And I agreed as this was an opinion, and it didn't explain the link between the reported damage and the incidents.

Mr S thought Admiral should appoint an independent assessor to resolve matters. We think this is a reasonable way to resolve disputes about repairs. But Admiral disagreed as it said it didn't dispute that there may be accident-related mechanical damage. It just wanted evidence of this. And it thought the geometry test and any further estimate would show this.

Admiral gave Mr S two options. It said that if any mechanical issues were identified following the geometry check then it would consider a further cash settlement based on separate supplementary costs and evidence for this.

Or, as a gesture of goodwill, it said it would pay for the mechanical repairs listed in the health check that Mr S had provided, but at the labour rates for the cheaper garage. This would lead to a further settlement of £468.43 including VAT.

I thought these were two reasonable resolutions to Mr S's concerns. And I thought Admiral had justified its decision about the mechanical repairs. But I also thought it should have communicated better with Mr S about this. I thought this led to Mr S incurring the cost of the health check and so I thought Admiral should reimburse this cost. And I thought Mr S had been put to some trouble and caused upset by Admiral's handling of his claim. And I thought it should pay him £150 compensation for this, in keeping with our published guidance.

But I didn't think Admiral was responsible for Mr S's travel costs or needed to provide him with a courtesy car whilst repairs were made. This was because I thought Admiral hadn't deprived Mr S of the opportunity to use its approved repairers. Rather, it had decided, in keeping with the policy's terms and conditions, to offer a cash in lieu payment in settlement of his claim.

Subject to any further representations from Mr S and Admiral, my provisional decision was that I intended to uphold this complaint about the mechanical repairs to his car. I intended to require Admiral to honour its offer of options for dealing with these, to reimburse Mr S £124 for his health check and to pay him £150 compensation for his trouble and upset.

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.

Admiral replied that it agreed with my provisional decision. But Mr S replied that I hadn't asked Admiral to increase its offers to the minimum amounts he said were required to make the repairs to his car, £6,000 and £900. Mr S also said that he hadn't received his two £400 policy excesses back. He was also concerned that the quotes for repairs were now over a year old, and it would now cost more to repair his car.

Mr S thought Admiral should pay him the amounts quoted by the garages to repair his car. But, as I've said above, I disagree. This is because Admiral had negotiated a price with one of his garages to carry out the repairs to the body and paintwork. It paid this amount to Mr S. And I thought this was fair and reasonable as it would allow Mr S to have the repairs made.

Turning to the mechanical repairs, I thought Admiral had given Mr S two reasonable options to resolve this dispute. I can't see that Mr S has provided any additional evidence that I should consider. So I still think Admiral's offers are fair and reasonable. I think it's for Mr S to decide which to accept. In terms of the cost of the mechanical repairs, this was calculated on the same rates as those negotiated by Admiral with the garage that provided the lowest repair quote. So I think that's fair and reasonable.

Mr S had two claims and therefore his policy excess was due to be paid twice. So I can't require Admiral to refund this amount. This is an uninsured loss and Mr S may be able to get this refunded by the other driver's insurer as his claims were non-fault.

Mr S said repair costs will have increased in the time since he first made his claims. But we expect consumers to reasonably mitigate their losses. And Mr S could have had his car's bodywork repaired once Admiral made its payments to him, six weeks after the incidents. But he didn't and I can't reasonably hold Admiral responsible for this.

Mr S wanted an independent assessment of his car. But it's now over a year since the incidents and I think it would be difficult to establish what is incident-related. Also, as I've said above, Admiral provided Mr S with a reasonable alternative to this.

In summary, after considering Mr S's submission, I can see no reason to change my provisional decision.

Putting things right

I require Admiral Insurance (Gibraltar) Limited to do the following:

1. To resolve Mr S's concerns about the mechanical damage to his car, either
 - a. pay him £468.43 as a cash in lieu payment or, if Mr S prefers,
 - b. consider and review any mechanical issues identified following the geometry check and pay Mr S a further cash settlement based on separate supplementary costs and evidence for this repair.
2. Reimburse Mr S £124 for the cost of the vehicle health check report.
3. Pay Mr S £150 compensation for the distress and inconvenience caused by its handling of his claim.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 April 2023.

Phillip Berechree
Ombudsman