

The complaint

Miss M complains about delays and poor handling of a claim she made to Admiral Insurance (Gibraltar) Limited (Admiral) following an accident she was involved in, under her motor insurance policy.

What happened

In mid-September 2022 Miss M was involved in a collision with a cyclist whilst driving down a country road at night. She says the cyclist had no means of visibility and the incident was very upsetting for her. Miss M's car was retained by the police. She called Admiral the next day to report the incident. A few days later the police had completed their investigations and the car was made available for collection.

Miss M says her claim was handled very poorly from here. She made numerous calls to inform Admiral her car could be collected. Despite being told the car would be collected, this didn't happen, and she spent long periods on the phone trying to find out what would happen next. Miss M says she received a letter saying her car had been collected by a salvage agent and would be scrapped if it wasn't collected.

Miss M says she continued to call Admiral with limited success. This took up a great deal of time whilst she was supposed to be working. She was told the car hadn't been collected and there was no-one that could assess the damage. Miss M offered to go and take photos of the damage due to the lack of progress that was being made with her claim. Around a month after the accident Miss M says Admiral told her that her car was going to be scrapped. She was surprised that this hadn't been mentioned before. She told Admiral her car was in very good condition, and this should be considered in its valuation.

Miss M says she received a letter in mid-October 2022 telling her she needed to pay a cancellation fee. But prior to this she had a conversation with Admiral where she was told the policy would lapse without a fee. She made numerous calls to query this with the business without receiving a response. Miss M says her claim has still not been settled and she's had to use her other car for driving to stables, which she hadn't intended.

In its final response to Miss M's complaint at the end of January 2023 Admiral upheld the majority of the points she raised. It offered £250 compensation for the distress and inconvenience she'd been caused, £15 toward the cost of calls and a further £50 for a delay in its complaint response. Admiral acknowledged the poor service Miss M had received during her many phone calls. It explained it had a new system that not all agents were trained on. It says this is the reason for some of the problems she experienced.

In its response Admiral says Miss M's car wasn't collected as advised due to a system error. It acknowledges that a lack of monitoring and action on its part resulted in delays in the claim progressing. Moving forward it says Miss M will be contacted with a settlement offer for her vehicle plus 8% interest on this amount for the delay.

Admiral says it has no record that it told Miss M her claim was being closed. It asked that she provide the letter she had referred to for it to review. It says it obtains a market value

based on the industry trade guides in order to provide a settlement payment.

In relation to the outstanding debt chasers, Admiral says it has listened to a call recording when Miss M called shortly before the policy was due to renew. It says its agent advised Miss M that the policy would renew, and of the cancellation fee that would be payable. It says it received no confirmation that she wanted to cancel the policy before the renewal. However, it says it will backdate the cancellation (and refund the cancellation fee) if Miss M provides proof of alternative insurance, proof of sale or a Statutory Off-Road Notification (SORN) for both vehicles she had insured on her policy.

Miss M didn't agree with this outcome and referred her complaint to our service. Our investigator upheld her complaint in part. She says the compensation offered by Admiral for the distress caused was fair. But this didn't take into consideration that Miss M had to use another car for a purpose she hadn't intended, and this continued for longer than it should due to Admiral's claim handling delays. Our investigator thought its offer to back date the cancellation was fair.

Miss M didn't think this was fair and asked for an ombudsman to consider her complaint.

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 so I've decided to uphold Miss M's complaint in part. I'm not adding to the remedy set out by our investigator. I understand this will be a disappointment for Miss M, but I will explain why I think my decision is fair.

In my decision I will consider events up to the final complaint response from Admiral. This was dated 27 January 2023. I understand Miss M hadn't, at this point, received a settlement payment resulting from her claim. If she remains dissatisfied with this or any other aspect of her claim post 27 January, she can complain to Admiral about this. However, I won't be considering anything beyond this date in my decision.

I've read the responses provided by Admiral along with the testimony Miss M has given. The business doesn't dispute that Miss M received a poor standard of service. It acknowledges long periods when Miss M waited on hold as well as issues with failed call backs. There were also times when its agents weren't able to provide information due to a lack of training on its new system.

Admiral acknowledges that a lack of monitoring of Miss M's claim, combined with a system error meant it didn't collect her car. This resulted in a delay in it progressing the claim and in providing a settlement payment.

I can see that Miss M had access to another vehicle, whilst her damaged car was unavailable. However, I acknowledge her comments that this car wasn't intended for this use, which involved driving to stables. She explains that she only used the damaged car for this purpose prior to the accident.

As discussed, Miss M is able to raise a further complaint regarding any damage or costs not covered in the final complaint response from Admiral. I'm glad Miss M had access to an alternative vehicle. But Admiral's delays meant she had to use this car for several months. I think the claim should reasonably have been settled in a few weeks. She didn't intend using

this car for making trips to stables. This was unavoidable given the problems caused by Admiral. In these circumstances I agree with our investigator that Admiral should pay additional compensation for the inconvenience and worry this caused Miss M. I think £200 is fair given the period of the delay caused by Admiral.

Admiral offered to add 8% interest to the settlement payment once this was provided to Miss M to reflect the delay in it making this payment. This is what I'd expect to happen in these circumstances.

I've thought about Miss M's comments that she has been chased for payment for a debt that shouldn't exist. This is about her policy renewing and then lapsing due to non-payment.

Admiral says it's listened to a call from 14 October 2022 when the upcoming renewal was discussed. It says Miss M was given the renewal price and the option to allow the renewal to continue or to schedule a cancellation for the renewal date of 17 October. Admiral says Miss M wanted to consider another quote she'd received, its agent said it would save the renewal quote in the meantime. Other information was discussed relating to a cancellation fee for £25 and loss of a multi-car discount. But Admiral says there was no instruction to cancel, and Miss M was told before the call was transferred to its claims team, that the renewal would go ahead on 17 October.

Admiral hasn't provided a copy of the call recording discussed here. But it has confirmed that it will backdate the cancellation and remove the £25 cancellation fee if Miss M shows she either obtained alternative cover, a SORN, or sold the vehicle. I can't independently corroborate what was said during this phone call as I don't have the recording. But I think the offer to backdate the cancellation is reasonable in these circumstances.

In summary I don't think Admiral treated Miss M fairly due to its delays in handling her claim, and the impact this had on her. It should pay her £200 compensation in addition to the payment it has already offered. But I think its offer to pay interest on the delayed settlement and to backdate the cancellation, on provision of the information requested is fair.

My final decision

My final decision is that Admiral Insurance (Gibraltar) Limited should:

- pay Miss M £200 for the inconvenience and worry it caused her for the period she had to use an unsuitable vehicle.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 13 July 2023.

Mike Waldron
Ombudsman