

## **The complaint**

Miss C complains about how Admiral Insurance (Gibraltar) Limited (“Admiral”) handled a claim under her motor insurance policy. Miss C is represented in this case, but for ease I’ll refer to her throughout. When I mention Admiral, I also mean its suppliers and repairers.

## **What happened**

Miss C had a motor insurance policy with Admiral covering her car. The car was damaged, and she reported a claim to Admiral on 22 November 2022.

She didn’t get a courtesy car she thought she was entitled to under the terms of her policy. She struggled to contact Admiral’s repairer and get updates from Admiral.

On 28 December, her car was assessed as being beyond economical repair by Admiral, and was written-off.

Admiral offered her an amount for the car, but she didn’t think it was enough.

She complained to Admiral about its claims service, because she didn’t have a car for seven weeks, its low valuation of her car and her increased costs due to taking public transport.

Admiral upheld most of her complaint. It said its call hold times had been long. It said Miss C wasn’t entitled to a courtesy car because her car couldn’t be repaired. It increased the amount it offered her for the car, and it paid £250 compensation for her inconvenience. It also agreed to pay interest on the settlement amount of the car during the delays it caused.

Miss C brought her complaint to this service. Our investigator looked into it and upheld it. He identified that Admiral had delayed processing the car as a write-off by 12 days, and a further 12 day delay in paying her the correct value for her car. He said Admiral should pay 24 days at £10 per day, so £240 for her loss of use, in addition to the £250 it had already paid her.

Miss C agreed with the view, but Admiral didn’t. It said there wasn’t any cover under the policy for a courtesy car in Miss C’s situation, so it hadn’t caused her to be without a car. It said the £250 compensation already took into account the delay it’d caused in settling Miss C’s claim.

Because Admiral didn’t agree, this complaint has been passed to me to make a final decision.

## **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’m upholding Miss C’s complaint and I’ll explain why.

The situation as I see it is that Miss C has now received and accepted the settlement

amount for her car, plus interest at 8% simple because of the extra delay Admiral caused in paying her.

I've looked at what happened during Miss C's claim.

Admiral said there'd been a system error when it instructed its repairer to handle Miss C's car. Then there was a problem when Admiral's repairer didn't collect Miss C's car. It seems to have effectively rejected to carry out the repair work and I can see that two of the repairers had no capacity to fit the car in.

The car was undriveable, but this information doesn't seem to have filtered through Admiral's system and repairer network, causing delays in assessing the car.

Admiral's claims system was changed during the process and some of its claims staff couldn't operate the new system, meaning Miss C wasn't able to speak to staff who could help her.

Then Admiral didn't assess the car quickly despite Miss C having sent it images of the damage shortly after the damage happened.

Then Admiral raised a cheque for the settlement value of her car, but Miss C objected. Admiral then cancelled the cheque and re-issued it for a higher amount, this process taking about 12 more days.

Looking at all of these issues with Admiral's claims process, I think it's clear that Miss C's claims journey was poor. There is a comment on our file that she couldn't imagine Admiral being less useful, and given the evidence I have about what she experienced I am inclined to agree. I don't think Admiral's process was effective and I think it's fairly responsible for all of the delays to Miss C's claim and settlement.

Miss C has also complained about the lack of courtesy car. Her policy includes a courtesy car which would be provided by one of Admiral's approved repairers once it'd accepted her car into their garage for repair. But because Admiral's system had errors, and data wasn't being passed on, and the repairers were too busy, Miss C's car wasn't accepted. And I don't think that's very good service.

Once it became clear to Admiral about the extent of damage to Miss C's car, it still seems to have taken it a further 13 days to formalise the assessment, and then a further week until the cheque was authorised to send. I do appreciate this was over the Christmas period, but throughout this time I have to take into account that Miss C was without transport.

I've mentioned above that Admiral responded to the view and said "we haven't caused Miss C to be without a vehicle". It said this because there was no cover for a courtesy car under her policy following the car being written-off.

But I don't agree with this comment – it's clear to me that Admiral caused numerous delays during the claim, and the lack of available repairers directly led to Miss C not being provided with either a courtesy car while hers was being fixed; or a swifter assessment meaning her car would be written off faster and she would have received the settlement cheque quicker.

I know Admiral has paid Miss C £250 compensation for her distress and inconvenience, and it says this amount also takes into account Miss C's extra costs. But I don't think this is enough. The extended period during which Miss C was waiting for Admiral to get her car to a repairer, assess it, write it off and send her payment all meant she was without a car for a period of time. And I don't think it's reasonable of Admiral to say it's already considered Miss

C's extra costs and inconvenience within that amount.

So I think it's fair for me to require Admiral to pay Miss C for the loss of use of a car caused by its poor service and capacity and systems problems. I can see that there was a delay of about 12 days assessing the car for write-off, and a further 12 day delay paying the correct settlement amount. It's this service's approach that loss of use of a vehicle is paid for at £10 per day, so I'm going to require Admiral to pay £240 in respect of this to Miss C.

I've also looked at this service's guidelines for her distress and inconvenience, and I think the £250 Admiral has already paid Miss C is fair and reasonable.

### **My final decision**

It's my final decision that I uphold this complaint. I direct Admiral Insurance (Gibraltar) Limited to pay Miss C:

- 24 days at £10 per day for the loss of use of a car, so £240 in total.
- £250 for her distress and inconvenience. It's my understanding that this amount has already been paid.

Admiral Insurance (Gibraltar) Limited must pay the amount within 28 days of the date on which we tell it Miss C 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 Miss C to accept or reject my decision before 17 July 2023.

Richard Sowden  
**Ombudsman**