

The complaint

Mr B has complained about Admiral Insurance (Gibraltar) Limited. He isn't happy about the way it dealt with a claim under his motor insurance policy.

What happened

Mr B had a serious accident in his camper van and made a claim under his motor insurance policy. During the early stages of the claim it was suggested his van was a total loss due to the level of damage caused in the accident. But it was eventually decided that it was repairable, and Admiral returned the camper van to Mr B and made a cash-in-lieu (CIL) payment to him for the damage.

However, Mr B wasn't happy about the way it dealt with his claim including the delay and poor service he received. Most of this was dealt with under a separate complaint before Mr B's claim was finalised so it won't be considered here. The focus of this complaint is that Mr B felt his van should have been deemed a total loss or fully repaired before it was returned to him. Admiral acknowledged its service was poor, and it delayed in dealing with Mr B's claim and offered £200 by way of compensation in addition to the level of compensation it had already paid in relation to his earlier complaint. But it felt it had acted reasonably in returning Mr B's van and paying CIL for the work that was required and a small amount towards the investigation of a leak that may have been caused by the accident.

Our investigator looked into things for Mr B and upheld his complaint. She thought Admiral should have got to the bottom of the cause of the leak before returning the camper van to him and it wasn't fair to ask Mr B to undertake the investigative work. And that it should now look to pay Mr B the market value of his van less the amount it had already paid him as he had been forced to sell the camper van in a state of disrepair. And pay £400 compensation as opposed to £200 for the inconvenience caused was fair.

As Admiral didn't agree, maintaining it acted fairly, 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.

Admiral has accepted it has drawn out Mr B's claim unnecessarily here and not dealt with the claim in a reasonable period of time and that its service was poor. A lot of this has been dealt with separately and so any aspect of compensation considered here will be for the continued delay and poor service from around 28 December 2022 until its final response letter of 15 March 2023. Our investigator felt Admiral should increase its offer of compensation to £400 for the further poor service and delay. As both sides seem to have accepted this I don't propose to go over this again here as it isn't debated, and I agree this feels fair.

Turning to the claim itself I would have thought Admiral would have ensured it got to the bottom of what was wrong with Mr B's van given the significant amount of time it had possession of Mr B's camper van. I note two separate mechanics thought Mr B's van was a write off so I'm satisfied that it must have been close to a write off even though Admiral's engineer suggested it was repairable. However, at that stage it just wasn't clear what the cause of the mechanical problem that was causing a significant leak to Mr B's van was or if it was caused in the accident. And I would have expected Admiral to have got to the bottom of this before returning the van and the £150 it offered for investigative work doesn't feel sufficient to investigate the problem – after all I presume Admiral returned the van without getting to the bottom of this as identifying the problem wasn't straightforward.

Given the leak only occurred around the time of the accident and the impact was significant it seems likely that this was caused by the accident. Indeed, Admiral's own engineer said under '*Specialist Repairs*' that Admiral needed to '*investigate leak*' and that it was '*plausible that the leak is related to the front-end incident...*' but they couldn't find the exact source.

So, I'm surprised Mr B's van was simply returned to him and dumped on a public road for him to undertake the investigation work required when the van wasn't driveable. As Mr B has highlighted he had to get the van transported in order to be inspected which would have eaten in to most, if not all, of the small investigative costs Admiral was allowing. And as Admiral's own engineer couldn't get to the bottom of the problem and two other mechanics had suggested the van was a write off I agree that this left Mr B in a very difficult position.

As Mr B didn't have anywhere to store the vehicle himself he relied on the use of a friend's drive and when this became difficult he simply had to sell the van as he couldn't store it. Obviously Mr B had to sell the van for a significantly reduced price as it wasn't roadworthy, had panel damage to be repaired and, importantly, had an undefined mechanical leak.

Given all of this I agree that the fair and reasonable thing to do, in the particular circumstances of this case, is for Admiral to try and put Mr B back into the position he would have been but for its errors in dealing with the claim and failure to identify all the damage caused in the accident. And so, I agree that it should pay Mr B the market value of his camper van, less the amount it already paid as CIL and the amount Mr B got paid for his van in its unroadworthy state.

As such, I think Admiral should treat Mr B's claim as if it was a total loss and pay Mr B the market value of his car minus the CIL payments already made, the payment Mr B received for his camper van plus 8% simple interest for the time he has been without the money. And £400 compensation for the clear stress, frustration and inconvenience Mr B has had to face from December 2022 to March 2023.

My final decision

It follows, for the reasons given above, that I uphold this complaint. I think Admiral Insurance (Gibraltar) Limited should pay Mr B the market value of his van less the amount it has already paid as CIL and the reduced value Mr B was paid for his van, plus 8% simple interest. And £400 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 August 2023.

Colin Keegan
Ombudsman