

The complaint

Mr M complains about Admiral Insurance (Gibraltar) Limited's handling of his motor insurance claim.

What happened

The background to this complaint is well known to both parties, so I'll provide only a brief summary here.

Mr M has car insurance underwritten by Admiral. He made a claim in May 2022 after his car was stolen. The car was recovered but was damaged and required significant repairs.

Admiral couldn't find an approved repairer to take the car, so it was taken to a local repair centre.

The first estimate of repair costs provided (around three weeks after the claim date) had insufficient detail and costings. It took around two months to get a further estimate. Admiral then took three weeks to approve the estimate. And parts weren't ordered until three weeks after that – in early September 2022.

Mr M complained to Admiral about the delays and loss of use of his car. They paid him £50 in compensation for the delays and arranged a hire car. Mr M was without use of a car between the date of the claim – 23 May 2022 - and 29 June 2022.

The hire car originally offered was much smaller than Mr M's car and didn't suit his family's needs, so it was upgraded.

In December 2022, in their final response to his complaint(s), Admiral offered Mr M a further £250 in compensation for on-going delays and poor service. Mr M wasn't happy with that and brought his complaint to us.

Our investigator looked into it and thought Admiral should pay an additional £250 (over and above the £250 they offered) in compensation to Mr M, given the severity of the delays and poor service.

Admiral accepted our investigator's view, but Mr M wasn't happy with it and asked for a final decision from an ombudsman.

He thought the compensation wasn't sufficient because of the extreme delays and the very poor customer service.

He said he'd also had to pay £90 per month for the upgrade to the hire car. He said his car had depreciated over the time of the claim and had lost its full service history. And he said he'd paid £1,500 for an insurance policy, in order to keep his no claims bonus, when he hadn't actually had his car to drive for most of the policy year.

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.

First of all, I should make it clear what I can and can't consider in making my decision in this case.

The Financial Conduct Authority rules which govern the way our service operates (the dispute resolution or DISP rules) say – in essence - that we can only consider a complaint that the respondent business has already had the chance to consider and resolve themselves.

So, in this decision, I can only look at the complaint(s) Mr M made to Admiral in 2022. And, by definition, I can only look at things that had happened up to the point Admiral gave their final response to Mr M's most recent complaint – which they did on 8 December 2022.

I understand the claim has been on-going after 8 December 2022. If things have happened since then that Mr M is unhappy about, he can make a further complaint to Admiral - and then refer it to us if he's unhappy with Admiral's response.

So, in this decision, I'm looking at the delays and poor service up to 8 December 2022 only. And I'm only looking at the things Mr M had already complained to Admiral about.

As far as I can see, Mr M has not yet complained to Admiral about the depreciation of his car, the cost of his insurance policy during the relevant period or the loss of the car's service history. These were factors that Mr M added into his complaint to us only after our investigator had issued her view on the complaint.

If Mr M wishes to raise these issues with Admiral now, he'd be entitled to do so. It's not for me to comment on the merits of those complaint points at this time. And, for the reasons I've already given, I can't look at them in this decision

We asked Mr M how it had come about that he paid £90 per month to upgrade the hire car he's had since June 2022. He said the arrangement was made with the hire car company.

But he's been unable to provide any evidence that he made any payment to the hire car company at all. In fact, he says the invoices for the hire car payments have been sent to Admiral rather than to him.

There were very significant delays with the claim. Mr M had to chase progress continually, often didn't get answers to his legitimate queries and was on occasion promised call backs and didn't get them.

That must have been frustrating and stressful for Mr M. And Admiral have admitted they didn't provide the service Mr M was entitled to expect.

It's also true that Admiral appear on several occasions to have attempted to pass Mr M off on to the repairer. And in fact, claimed that because it was a non-approved repairer, the problems with the claim and the repairs had nothing to do with them.

That stance was completely unjustified and unreasonable given that the non-approved repairer was only involved because Admiral couldn't find an approved repairer to take on the job.

It's entirely unacceptable in those circumstances for an insurer to refuse to take any responsibility for answering a customer's queries, explaining delays or other issues and/or ensuring progress is made.

Putting things right

So, I agree with our investigator that there were unacceptable delays in the handling of this claim and very poor customer service provided to Mr M.

And I agree that the £250 compensation offered by Admiral – in addition to the £50 paid to him in response to his first complaint – is insufficient given the degree of the trouble and upset caused for Mr M as a result of Admiral's errors.

However, I don't agree with Mr M that a further £250 compensation remains insufficient. I think £500 in total (in addition to the £50 previously paid) is fair and reasonable. I say this for the following reasons.

As I've explained above, in this decision I can only look at the trouble and upset Mr M suffered up to 8 December 2022.

That's more than six months. And Mr M experienced considerable stress and frustration in that period. But he was provided with a courtesy car from 29 June 2022.

Mr M was around 30 days without a car after the initial assessment ought to have been carried out (in late May 2022). We usually say £10 per day for loss of use of a car is reasonable.

Admiral paid Mr M £50 compensation in response to his first complaint – which was partly about the lack of a courtesy car. So, a further £250 adequately reimburses Mr M for the period without a car.

After that, the actual inconvenience (as opposed to stress and frustration) to Mr M is relatively minor – particularly given that he was provided with an upgraded hire car.

So, a further £250 to cover the stress and frustration Mr M experienced up to 8 December 2022 seems to me to be fair and reasonable.

Admiral's claim notes show that Mr M declined the £250 they offered him on 8 December 2022 in their final response to his complaint. So, I'm assuming that hasn't been paid.

I'm also assuming the £50 offered in response to the initial complaint in mid-2022 was paid.

For the sake of absolute clarity, my decision is that Admiral should pay a total of £550 compensation to Mr M, which would include any compensation payments already made to him since he made the claim in May 2022.

My final decision

For the reasons set out above, I uphold Mr M's complaint.

Admiral Insurance (Gibraltar) Limited must pay Mr M £500 in total in compensation for the trouble and upset he experienced as result of their errors, in addition to the £50 already paid to him in mid-2022.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 October 2023.

Neil Marshall
Ombudsman