

The complaint

Mr B complains about how Admiral Insurance (Gibraltar) Limited handled a claim on his commercial vehicle insurance policy.

What happened

Mr B had an accident in his van around 200 miles from his home. He called Admiral to report the claim. Admiral collected Mr B's van a few hours later but said Mr B would need to find his own way home as his policy didn't provide onward travel.

When Admiral assessed the claim, it deemed his van to be what is known as a "total loss". As Mr B's van was less than 12 months old at the time of loss Admiral dealt with the claim under the "*new vehicle replacement*" section of the policy. However, Admiral's vehicle replacement network said a new van would take around 8-10 months to arrive. Because of this, Admiral tried to find a like for like replacement but couldn't, so it offered Mr B the market value for his van or said he could locate a replacement one himself.

Mr B located a replacement van which Admiral accepted as a replacement and purchased it for Mr B. Mr B then complained to Admiral as the replacement van wasn't of the same specification as the van he had previously. He also raised other complaints which included how long Admiral had taken to recover his van from the scene of the accident, having to find his own way home following the accident, not receiving a courtesy vehicle as expected and, lost earnings due to delays in dealing with the claim. He also said his van had been recovered to Admiral's salvage agent with personal belongings in without him being notified.

Admiral reviewed the complaint and partially upheld it. It agreed there were delays in handling the claim and said it would consider Mr B's lost earnings if he provided evidence of them. Admiral also agreed Mr B's van had been moved to its salvage agents with his belongings in without notifying him. Admiral didn't uphold the other points Mr B complained about but did offer £175 in total for its failings. Mr B didn't think this was good enough and referred his complaint here.

Our Investigator reviewed the complaint and recommended it was partially upheld. He recommended Admiral pay £300 for the distress and inconvenience caused by the poor claim handling. However, he thought Admiral had acted fairly in letting Mr B know the replacement van wasn't of the same specification as his previous one.

Admiral agreed with our investigator's outcome. Mr B didn't, he said he didn't agree Admiral had done what it was required to under the policy. He said this was because the replacement van wasn't of the same specification as his previous one because it was missing things like the reversing camera.

As Mr B didn't agree the complaint has come 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.

Mr B has made a number of detailed points. We're an informal dispute resolution service set up as a free alternative to the courts. In deciding this complaint I've focused on what I consider to be the heart of the matter rather than commenting on every issue in turn. This isn't intended as a discourtesy to Mr B. Rather it reflects the informal nature of our service, its remit and my role in it.

The terms and conditions of Mr B's policy say that in the event of a claim where his van is deemed a total loss, and it is less than 12 months old and meets certain criteria that Admiral will: *"replace your vehicle with one of the same model and specification."* The terms go on to say:

"If you do not want us to replace your vehicle, or a vehicle of the same model and specification is not available from UK stock, the most we will pay is the market value."

It's not in dispute that Mr B's van met the criteria to be replaced under the *"New vehicle replacement"* section. I've therefore looked at whether Admiral met its requirements under this section and whether it applied the terms in a fair and reasonable way. I understand Mr B doesn't think Admiral has done what it's supposed to under this term because the replacement van doesn't have some of the specification his previous van had. However, I'm not persuaded that means Admiral has applied the term unfairly in this particular case.

I say this as the term says if a van of the same model and specification can't be replaced then Admiral will pay him the market value. Admiral explained it could order Mr B a new van, but this would take 8-10 months, alternatively it said Mr B could be paid the market value. Unsurprisingly Mr B declined both options. I don't think it would be a fair application of this term to say a replacement van would take 8-10 months, as Mr B needed the van. So, as the policy says it would replace Mr B's van with a like for like new one, I think it would be fair and reasonable for Admiral to look at other options. Which it did.

Admiral tried to locate a like for like replacement but couldn't and so it asked Mr B if he could find another van he would be happy with. I can see Mr B sent details of a few vans to Admiral which they discussed. As the replacement vans had additional items Mr B's previous one didn't have, Admiral said they would need to be approved and possibly an "upgrade" charge applied. Through this process, Admiral agreed to purchase one of the van's Mr B sent it.

Mr B said Admiral should have noticed the van was missing some features that his previous one had and let him know how the specification was different. While I understand Mr B feels Admiral should have done more, I'm not persuaded it's acted unfairly here. This is because Admiral was unable to provide a like for like and so looked at other options. One was for Mr B to find a replacement, which he did. So, while the van doesn't have some of the features Mr B's previous van had, because it was a van Mr B chose and Admiral agreed to, I'm not persuaded Admiral has done anything wrong by not highlighting to Mr B some specification was missing. And so, as Admiral has done more than the policy terms say, which I think is a fair and reasonable application of them, I'm not going to tell it to do anything else. I've also looked at the poor claim handling Mr B has raised. He's raised concerns about how long it took to recover his van from the roadside, not having onward travel, not receiving a courtesy van, not being provided with a hire van, issues with getting hold of Admiral or its representatives and also lost earnings. While I may not have listed everything here, I would like to assure Mr B I have considered all the points raised.

I'll first address the loss of earnings because Admiral has agreed to these. I can see Mr B raised concerns about loss of earnings due to claim delays. Admiral accepted it had delayed

the claim and agreed to cover Mr B's lost earnings between 25 July 2022 and 31 July 2022 provided Mr B provided evidence of them to Admiral. I'm satisfied this is fair and reasonable. I say this because if Admiral has delayed a claim and caused Mr B lost earnings then it's only fair it compensated him for this. To do so Admiral would need understand the impact and so I'm satisfied it's fair and reasonable for Admiral to ask Mr B to evidence his lost earnings during this time.

I've also considered the onward travel and provision of a courtesy van or hire van. I've looked at what Mr B's policy covers. When doing so, I can see when his van is deemed a total loss, the policy doesn't provide a courtesy van. This is only provided while his is being repaired. Furthermore, the policy also doesn't provide cover for a hire van or onward travel from the scene of the accident. And while I understand the difficulties this caused Mr B as they aren't covered by the policy, I'm satisfied Admiral hasn't done anything wrong by not providing them.

In regard to the claim delays, there are two aspects to this. One is the delays in collecting Mr B's van from the side of the road and the other is then progressing the claim. I can see Mr B isn't happy the incident happened at 6:30pm and Admiral didn't arrive to collect the van until around 10pm. While I understand Mr B's frustration and expectation that ideally his van would be collected sooner, I'm not persuaded 3.5 hours is an unreasonable time and therefore I'm not going to tell Admiral to do anything else.

However, for the poor claim handling, including claim delays. I can see there have been occasions when Mr B hasn't been provided with clear information, an example of this is around the provision of the hire van. I can also see there are occasions when Mr B has had to chase Admiral and not progressed his claim as well as it should. When taking into account Admiral has agreed to cover Mr B's lost earnings, as mentioned above, I'm satisfied £300 is fair and reasonable compensation for the distress and inconvenience caused by the poor claim handling. Therefore, Admiral needs to pay this to Mr B if not already done so.

My final decision

For the reasons explained above, my final decision is that I uphold this complaint in part. I require Admiral Insurance (Gibraltar) Limited to pay Mr B £300 for distress and inconvenience and pay Mr B's loss of income between 25 July 2022 and 31 July 2022, subject to Mr B providing evidence of this lost income.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 October 2023.

Alex Newman
Ombudsman