

The complaint

Miss Z complains that Admiral Insurance (Gibraltar) Limited took too long to repair her car and did not do so to a satisfactory standard after she made a claim on her motor insurance policy.

What happened

In December 2021, Miss Z purchased a new car, and she took out a fully comprehensive motor insurance policy with Admiral. In February 2022, her vehicle was involved in an accident, and she made a claim on her policy.

The car was collected by a repairer approved by Admiral on 15 February 2022. However, there was a delay in the car being repaired and it was returned to Miss Z in August 2022.

Miss Z said the car was not repaired to a satisfactory standard. There were problems with steering and rain was leaking into the car. She took the car to an independent garage who said there were still several faults with it. They also said an incorrect part had been used to repair the vehicle.

Miss Z then complained to Admiral. She thought the car should have been 'written off' and said the whole situation had caused her a lot of upset. Miss Z said she wanted Admiral to pay her the full value of the vehicle and cover the depreciation in value.

Admiral later sent an engineer to inspect the car. The engineer agreed that further work was required to repair it to an acceptable standard. The vehicle was taken in again for repair at a garage of Miss Z's choosing.

Admiral accepted that mistakes were made in Miss Z's case. It said her car had not been repaired to its expected standards and that it had not communicated with her as well as it should have done. It accepted there had been delays in her case, although these delays were largely beyond its control and due to a global parts shortage. It said the parts used by its repairer were suitable for Miss Z's vehicle. It also said that the vehicle was economical to repair and so it was not a 'write off'. In total, Admiral offered to pay £600 to compensate Miss Z for its errors.

Miss Z did not accept Admiral's settlement and she complained to the Financial Ombudsman Service. Our investigator agreed with Miss Z that the initial repairs were not undertaken to a satisfactory standard. While she did not think Admiral was responsible for the difficulty in sourcing parts, our investigator acknowledged there were some delays in dealing with Miss Z's claim. That said, she didn't think Admiral should have written the car off when it was economical to repair it and that acceptable parts had been used in those repairs. She also said Admiral did not have to cover the depreciated value of the vehicle. Our investigator concluded that the £600 Admiral already paid to Miss Z was fair compensation for its mistakes in this case.

Miss Z did not agree with that view. She said the car had depreciated significantly more than the £600 Admiral had offered. Admiral had not quality checked the vehicle before it was released to her. Miss Z said there may be ongoing issues with the car that had still not been rectified. Miss Z has also informed us that Admiral has not paid for the repairs it authorised and that payment is now being sought from her.

As Miss Z did not agree with our investigator's view, the matter has been passed to me for an ombudsman's 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 agree with our investigator that the £600 Admiral agreed to pay to Miss Z is a fair resolution to this complaint. I'll explain why.

First of all, I want to clarify what I can look at in this decision. I'm aware that Miss Z told us that the car was still not driving correctly. She also said she is being chased for payment because Admiral has not settled its invoice with the garage. However, as our investigator explained, it is not clear whether these matters have been put to Admiral and I have not seen a final response letter on either issue. That means I am only looking at the complaints that were dealt with in the final response letters dated 7 February 2023 and 26 April 2023.

The first thing I've looked at is the length of time it took to repair Miss Z's vehicle. I can see the accident occurred on 7 February 2022 and Admiral instructed an approved repairer on 10 February 2022. The car wasn't returned to Miss Z until 22 August 2022.

I do acknowledge that being without her car for over six months would have caused Miss Z some undoubted inconvenience. However, I have to consider whether Admiral could have avoided this delay. I understand that the delay here was because there were problems in supplying the necessary parts to the repairer. I further understand that Admiral arranged a courtesy car for Miss Z although it remains unclear as to why this was not provided until March 2022.

Miss Z wrote to Admiral on 24 September 2022 to set out her concerns about the quality of the repairs. It looks as though an independent engineer was not instructed to assess the vehicle until 17 November 2022. Admiral wrote to Miss Z on 18 November 2022 to apologise for the delay in responding to her complaint. It is not entirely clear why it took almost two months for Admiral to instruct the engineer.

Following the engineer's inspection, Miss Z said she wanted to use her own repairer. I understand there was some delay in Admiral receiving the estimate from Miss Z's repairer, which was not its fault. I can see Admiral authorised the repairs fairly quickly after this estimate was received. I further understand that another courtesy car was provided to Miss Z when the repairs were being carried out.

With all of this in mind, I recognise there was a long delay in this case and I'm mindful that Miss Z could not use her own car for a significant period of time. But I think the impact of that delay and loss of use was significantly reduced because Miss Z had access to a courtesy car.

However, Admiral could have treated Miss Z's concerns about the standard of repair with greater urgency. In its final response letter of 7 February 2023, Admiral accepted there had been delays in its handling of Miss Z's claim.

As to the standard of repairs undertaken by Admiral, Miss Z was concerned that one of the steering parts was not obtained directly from the manufacturer of the car. However, I can see the policy only requires Admiral to acquire parts made to the manufacturer's specification. Whilst I appreciate Miss Z's concern here, Admiral says the part in question met this criterion and I have not seen any persuasive evidence to the contrary.

That said, it is clearly not in dispute between the parties that Miss Z's car was not initially repaired to an acceptable standard. I can see from the independent engineer's report dated 5 January 2023 that 12 points of rectification were recommended. The recommended remedial work was wide-ranging and included removing the windscreen, repairing faulty

electrics and some cosmetic work. After considering the engineer's report, I agree with the parties that the initial repairs were not acceptable.

I have next considered the impact of the poor repairs on Miss Z.

Miss Z argues that she should be paid the diminished value of the car and that if it had been written off, she would have been paid a greater value than the vehicle was now worth. However, I agree with our investigator that given the estimated cost of the repairs, it was not unfair for Admiral to repair the vehicle rather than deem it a total loss. I would not expect Admiral to pay an amount equal to the depreciation in those circumstances.

I understand Admiral provided Miss Z with a courtesy car, so she still had use of a vehicle for most of the repair period.

That said, it is clear Miss Z is very upset and genuinely believes she could have come to considerable harm as a result of the unacceptable repairs that were undertaken in this case. I agree that having to give her car in for further repair work when she had already been without the vehicle for some time would have been inconvenient and frustrating for Miss Z. I am satisfied it is fair for Admiral to put things right for the distress and inconvenience caused in this case.

Admiral has already paid £600 to compensate Miss Z for its mistakes. Miss Z argued that this wasn't sufficient because the car's value had depreciated by more than that. But for the reasons I've set out above, I don't require Admiral to cover the cost of depreciation.

Taking account of the substantial upset and inconvenience that took a while to get sorted out, £600 is in line with what we'd usually award in circumstances such as this. I've thought carefully about whether I should make a further award because Miss Z lost the use of her car for a long time. However, I am satisfied that in providing the courtesy car and paying £600, Admiral has already fairly compensated Miss Z for this.

It follows then that I'm satisfied £600 is fair compensation in this case. As Admiral has already paid this to Miss Z, I don't require it to take any further action.

My final decision

I don't uphold this complaint about Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Z to accept or reject my decision before 13 March 2024.

Nicola Bowes
Ombudsman