

## **The complaint**

Mr M complains about how Admiral Insurance (Gibraltar) Limited ("Admiral") dealt with the repairs to his car following a claim he made on his insurance policy.

## **What happened**

Mr M has a cherished car which is insured with Admiral on a comprehensive basis.

Mr M made a claim on his car insurance after his car was damaged. He had the car repaired but it was carried out at a non-approved garage. Mr M says Admiral instructed an independent assessor to check the work and it was subsequently signed off.

Mr M arranged for his car to go into storage when it was returned to him in September 2021. When he took the car out of storage in March 2022 he noticed there were patches on the body of the car where he says the work hadn't been carried out correctly.

Mr M approached the garage to rectify the work but the garage didn't accept any liability. They said they didn't know what had happened between when the car was collected and when it was brought back to them. Mr M says the garage also said Admiral's assessor had signed off the work before the car was returned and at that stage the work was deemed satisfactory.

Mr M says Admiral inspected the car after it was repaired so it should accept some responsibility for the state of repair. He says he met the assessor and saw the car at the time and under the garage lights it looked fine, it was only when Mr M took the car outside that he saw the nature of the paintwork.

Mr M complained to Admiral. Admiral accepted Mr M was provided with inconsistent information in respect of the repair and rectification works. And to reflect the inconvenience this caused to Mr M Admiral offered £150 by way of an apology. It also awarded a goodwill payment of £50 for the time taken for Admiral to deal with Mr M's complaint.

Admiral said an Independent Assessor (IA) inspected the car following the initial repairs and signed it off and as being complete, after carrying out the inspection under ultraviolet light. When Mr M reported the flaws in the paintwork Admiral arranged a further inspection by an IA. Admiral said it wouldn't authorise the rectification work since the repair was carried out by a non-approved repairer. It said it has no control over repairs which are carried out by a non-approved repairer since this is an agreement between Mr M and the garage he chose. And so it didn't uphold the complaint.

Mr M wasn't satisfied with the response from Admiral so he referred his complaint to this service. Our investigator looked into things for him. She said she didn't think Admiral acted fairly. She said it hadn't followed its own terms and conditions, had effectively taken control of the rectification work, and hadn't explained to Mr M that by using his own repairer the work couldn't be guaranteed. She recommended Admiral pay the cost of the rectification work in resolution of the claim.

Admiral didn't agree. It provided a copy of a letter sent to Mr M outlining that if he proceeded to use his own garage there would be no guarantee for the repairs, Admiral would have limited ability to help if Mr M was dissatisfied with the repairs, and Mr M wouldn't be provided with a courtesy car.

Admiral said the repairs were dealt with by a garage chosen by Mr M and since the costs were high it instructed an IA to carry out an inspection to agree method and cost of repair. It said it didn't 'sign off' any work, and it is for Mr M to take his complaint up directly with the repairing garage. Admiral also disagreed the car had initially been inspected under UV light and says the October 2022 report only mentions that the flattening works would not have been noticeable under ultraviolet light.

### **My provisional decision**

I issued my provisional decision on this complaint where I explained why I intended to uphold the complaint. In that decision I said;

*There is a lot of information about the claim Mr M made, and I've looked through everything provided. The detail is well known to both Mr M and Admiral, so I haven't described the claim in any great detail here. I'll comment on any relevant evidence where appropriate to explain my decision.*

#### *Initial Repair by Non-Approved Repairer*

*The terms of the policy allow Mr M to choose his own repairer to complete necessary works to his vehicle. But the terms are specific about how those claims are dealt with. The terms say,*

*"if you do not wish to use our Approved Repairers an additional excess will apply, which will be confirmed on your policy schedule. We will be unable to provide you with a courtesy car, and you will need to obtain two estimates from a chosen repairer."*

*So Mr M obtained a quote from his preferred repairer. Admiral thought the quote seemed high and so sent an IA out to inspect the vehicle. In the March 2021 report the IA agrees to, "authorise detailed polish and inspect thereafter." And this is what it did. I don't think it was unreasonable for Admiral to want further information to substantiate the claim. I can see Admiral had involvement in agreeing the costs and scoping the work. And I think this was reasonable given it was liable for the costs at this stage.*

*When the cost of the work was considered too high by Admiral, under the terms of the policy it should have requested for Mr M to obtain a second cost estimate for the work. Admiral didn't do this. Admiral has said it didn't ask for a second quote since Mr M had taken his vehicle to the car's manufacturer and Admiral considered them to be the 'experts.' But in doing that I think it raised Mr M's expectations about what Admiral's involvement would be in the claim and it wasn't acting in line with the terms of the policy.*

*Once the work was completed a further inspection was carried out in July 2021. From the notes I can see Admiral attended a second inspection at the request of the repairing garage who said it wouldn't release the car until it had been inspected. The report detailed some minor works that needed to be completed, and they were agreed by the garage. The Assessor confirmed he didn't need to see the vehicle again, and so the car was returned to Mr M following those further repairs.*

#### *Signing off on the vehicle repairs*

*I can't see that Admiral specifically 'signed off' on the repairs once the work was completed and before the car was handed back to Mr M.*

*But I don't think it's relevant whether Admiral signed off on the work or not. The terms of the policy are clear that if a customer uses a non-approved repairer Admiral will not be responsible for guaranteeing the repairs and will have limited liability to help should Mr M be dissatisfied with the repairs, as was the case here. And Admiral have provided this service with a copy of a letter sent to Mr M which explains the extent of Admiral's involvement in such situations. So I think Admiral acted within the terms of the policy in its handling of this part of the claim.*

#### *Subsequent Inspections and scope of works*

*Mr M arranged for his car to be placed in storage in September 2021. In March 2022 he took the car out of storage and noticed the patchwork finish to the paintwork. He notified Admiral. At that stage, under the terms of the policy Admiral weren't liable for the repairs. So I would have expected it to refer to the terms of the policy and explain to Mr M that he would need to resolve the matter himself since he had chosen to go to a non-approved repairer.*

*But Admiral didn't do this. Instead it instructed its IA to inspect the vehicle and this led to Mr M believing Admiral would pay for the cost of the rectification work. From August 2022 to October 2022 Admiral inspected the vehicle on more than one occasion, each time outlining work that needed to be completed, and liaising with Mr M and the repairing garage to agree the scope of work. Given Mr M used a non-approved repairer to carry out the initial work, and the policy is very clear about Admiral's role when non-approved repairers are used, its not clear to me why it was involved at this stage.*

*Admiral has said it inspected the vehicle because the initial estimate was too high. And I think that's reasonable when the issue with the paintwork first arose. But not thereafter. And so I can't say Admiral acted fairly or reasonably, or within the terms of the policy here.*

#### *Settlement of claim*

*Strictly speaking, under the terms of the policy, Admiral are not liable to meet the cost of the rectification work since Mr M used a non-approved repairer to carry out the initial repair to the paintwork. But it didn't act in line with the terms of the policy relating to non-approved repairers.*

*In line with my remit, I've thought about whether it would be fair and reasonable for Admiral to refute liability and decline the claim at this stage because Mr M used a non-approved repairer. Based on the circumstances of this case, I don't think it is.*

*On review of the information provided to me by both parties, I think Admiral tried to work with Mr M in dealing with the issues he was having. Particularly where the matter wasn't covered under the policy.*

*Given the policy for using a non-approved repairer, Admiral was entitled to reject the claim when Mr M contacted it after noting the subsequent issues with the paintwork. In trying to assist Mr M the matter has been prolonged, contributing to delays and further distress and inconvenience to Mr M. Admiral didn't manage Mr M's expectations well since he was under the impression Admiral would assist him in the rectification work and pay the claim in full. Had Admiral declined the claim in March 2022 Mr M would likely have made his own arrangements regarding the rectification work.*

*Admiral had instructed an IA to commission reports on the remaining damage to Mr M's car. And I think it tried to be fair to Mr M in accepting the claim. But it doesn't have a never-ending liability to Mr M or this claim. And so I think it's appropriate to now bring the matter to an end and settle things fairly. I am therefore upholding Mr M's complaint but I realise my directions to put things right will disappoint him since I'm not requiring Admiral to meet Mr M's potential ongoing claim in respect of the rectification work.*

## **Response to my provision decision**

I asked both parties to send me any further evidence or arguments they wanted me to consider. Admiral accepted my findings. Mr M didn't provide any further comments.

## **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.

In light of the fact that Admiral accept my findings and Mr M didn't provide anything further in response to my provisional decision (which I've reproduced here and which forms part of the final decision), I'm satisfied it represents an appropriate way to resolve the dispute. For the reasons set out above I'm upholding Mr M's complaint.

## **Putting things right**

Since Admiral didn't manage Mr M's expectations and contributed to the delays and prolonging the claim, I don't think it's fair that it now declines the claim for the rectification. So I think it's fair that it pay for the rectification work. I don't expect Admiral to have an ongoing liability for those works, however, and any further work that may be required would be Mr M's responsibility, as per the terms of the policy.

Had Admiral dealt with the claim correctly in the first instance I don't think Mr M would have needed to continue to engage with this service, Admiral, the IAs, and the repairing garages in an attempt to repair his cherished car to a satisfactory standard. I'm satisfied this has taken time and effort from Mr M, and I don't doubt it would have been both stressful and upsetting. Admiral has already awarded Mr M £200. And so I think Admiral should pay Mr M a further £150 to recognise the trouble and upset. I think this is fair and falls in line with our service's approach. So I intend to direct Admiral to pay this additional amount.

I intend to direct Admiral to;

- Settle Mr M's claim for the rectification work to his vehicle,
- If Mr M has already paid for the work then it should reimburse him for those costs
- If further rectification works are required then Admiral are not liable for those
- Add interest, at an annual rate of 8% simple to the above, from the date Mr M paid the monies to the date of settlement
- Pay Mr M a further £150 for the distress and inconvenience

## **My final decision**

My final decision is that I uphold Mr M's complaint about Admiral Insurance (Gibraltar) Limited and direct it to put things right by doing what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 December 2023.

Kiran Clair  
**Ombudsman**