

The complaint

Mr J complains that Admiral Insurance (Gibraltar) Limited mishandled his claim on a motor insurance policy.

What happened

The subject matter of the claim and the complaint is a sports utility vehicle, made by a well-known manufacturer and first registered in 2007. One of its features was active suspension.

In 2015, Mr J acquired the vehicle.

For the year from 10 January 2022, Mr J had the vehicle insured on a comprehensive policy with Admiral. Any claim for damage was subject to an excess of £350.00.

Mr J had 16 years' no claims bonus ("NCB") which was "protected". The total cost for the year was about £550.00.

On 10 October 2022, the vehicle passed an MOT test with a recorded mileage of about 120,000.

Unfortunately, in late October 2022, Mr J reported to Admiral that he'd reversed into another vehicle. Admiral recorded that Mr J's vehicle remained driveable. Admiral instructed a repairer, but it couldn't book the vehicle in for repairs straight away.

In mid-November 2022, Mr J told Admiral that his vehicle wasn't safe to drive, because the accident had damaged the active suspension.

In mid-December 2022, the repairer took possession of Mr J's vehicle and provided a courtesy car to him.

The repairer confirmed a suspension fault. It also noted an air-bag fault warning. The repairer questioned whether these issues were related to the accident.

Admiral instructed an engineer who inspected the vehicle. The engineer's report included the following:

"It is of my opinion that the suspension fault and airbag warning light is not accident related.

I would advise that the vehicle has a full diagnostic check with [manufacturer] to determine any pre existing history with the faults"

For the year from 10 January 2023, Mr J renewed the policy. The total cost for the year was about £1,100.00.

By mid-January 2023, Mr J had complained to Admiral that it was mishandling his claim.

On about 24 January 2023, the repairer returned Mr J's vehicle to him and took back its courtesy car. The repairer hadn't done any repairs to Mr J's vehicle. Mr J noted a fault with the tailgate, causing an interior light to stay on and drain the battery. Mr J also said there was a further suspension fault.

In late January 2023, the vehicle was transported to the main dealer.

On 10 February 2023, Admiral arranged a hire car for Mr J.

Admiral said that the issues with the suspension and tailgate were not issues related to the accident.

By a final response dated mid-March 2023, Admiral maintained its position regarding those issues. Admiral offered to repair the damage that it considered was related to the accident. Admiral said it was sending Mr J a cheque for £100.00 compensation for poor service and delay in response.

On about 5 May 2023, Admiral or the main dealer returned the vehicle to Mr J. Around that time, he made a statutory off-road notification ("SORN").

Mr J brought his complaint to us in early May 2023. He said he had put the cheque for £100.00 in the bin.

our investigator's opinion

Our investigator recommended that the complaint should be upheld in part. She thought that the expert evidence showed that the accident didn't cause the issues with the suspension, air bag and tailgate.

Our investigator thought that Admiral had considerably inconvenienced Mr J. She thought that Admiral should've been proactive in either arranging the repairs (of the bumper) or paying Mr J a cash-in-lieu settlement of the claim. The investigator thought that, because Admiral failed to arrange a courtesy car earlier, Mr J had been without a vehicle for 17 days between January and February 2023.

The investigator recommended that Admiral should:

1. increase the compensation to £250.00 in total; and
2. award £170.00 for loss of use; and
3. contact Mr J as soon as possible to arrange repairs, or award Mr J a payment for cash-in-lieu of repairs in line with the policy terms and conditions.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr J and to Admiral on 31 October 2023. I summarise my findings:

There wasn't enough evidence that the need for new front shock absorbers or the need for new sensors was caused by the impact to the rear of the vehicle. So I didn't consider that Admiral treated Mr J unfairly by offering to do repairs only to the accident damage to the bumper, or by ceasing to pay for the hire car.

The MOT expired on about 10 October 2023. And the vehicle needs new front shock absorbers and some sensors. There's also a tailgate issue and an airbag warning

issue. There is also a possibility of some wiring issues. So – notwithstanding Admiral's offer – I wasn't minded to find it fair and reasonable to direct Admiral to repair the bumper.

Rather, I was minded to find it fair and reasonable to direct Admiral to pay Mr J £1,400.00 in lieu of repairs to the bumper, less the excess of £350.00.

Subject to any further information from Mr J or from Admiral, my provisional decision was to uphold this complaint in part. I intended to direct Admiral Insurance (Gibraltar) Limited to pay Mr J:

1. £1,050.00 in lieu of repairs to the bumper; and
2. £170.00 for loss of use of a vehicle; and
3. insofar as it hasn't already paid him, £250.00 for distress and inconvenience.

Mr J disagreed with the provisional decision in part. He says, in summary, that:

- The vehicle he reversed in to was a 40- ton wagon, so there was quite some force.
- His vehicle has sensors in the rear bumper and it's that what got damaged. All the connections for the sensors are located behind the rear side rear bumper. When that fails the suspension goes into extended mode to protect itself.
- In calls with Admiral, he asked it to get the car taken to the main dealer. He refused to pay as he believed the main dealer would confirm the time and date when the suspension fault occurred.
- He had 16 years protected NCB with them. Admiral doubled his premium when the policy renewed in January. The car was not even driveable.
- He would accept the offer provided the £350.00 policy excess is waived for all the trouble they have caused him over the last 12 months.
- He would also want payment by cheque.

Admiral hasn't responded to the provisional 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.

Admiral's policy terms said that it would provide a small courtesy car while its authorised repairer was repairing Mr J's vehicle.

I've looked at the MOT history. It shows that on 10 October 2022, the vehicle failed the test because of dangerous front tyres and serious defects with some worn parts of the suspension.

I accept Mr J's evidence that he paid about £500.00 for repairs. Later the same day, the vehicle passed the test with advisories about the rear tyres and the steering rack. From that, I find it unlikely that the vehicle had a suspension fault by the end of 10 October 2022.

From the photographs, I see that the accident damaged the nearside corner of the rear bumper. I can't see any damage to the tailgate.

In my view, the accident and the need to make a claim were bound to cause Mr J some inconvenience.

I've noted that Admiral's first letter to Mr J tried to manage his expectations about the timescale for getting the vehicle booked in for repair.

From a phone screenshot, I accept that Mr J spoke to the repairer twice in late October 2022. On balance, I accept his statement that he told the repairer that the car had suspension damage.

I accept that between late October and mid-December 2022, Mr J felt that the vehicle wasn't safe to drive. However, I accept Admiral's statement that there were widespread shortages of labour and parts, causing delay in getting the vehicle booked in. Keeping in mind the policy terms, I can't say that Admiral treated Mr J unfairly by not providing a courtesy car during that time.

In mid-December 2022, the repairer estimated about £1,400.00 for repairs to the bumper. The repairer noted other faults including faults with the suspension and an airbag warning. The repairer also noted an intermittent fault with the tailgate release switch.

Admiral's engineer said that the repairer had carried out repairs to a good standard. That was incorrect. The repairer had done no repairs.

Mr J has recently described the tailgate bashing on the lock when the repairer returned the vehicle to him. However, I don't accept that the issue with the tailgate was caused by the repairer's misuse of the key. Rather, I find that the vehicle had an intermittent fault with the tailgate switch when it arrived at the repairer.

Admiral's repairer had provided a courtesy car while it investigated but didn't do any repairs. And Admiral's engineer suggested further investigation by a main dealer. So I consider that – notwithstanding the policy terms – Admiral had created a reasonable expectation that it would provide a courtesy car during that further investigation.

However, - and notwithstanding what Admiral has told us - Admiral left Mr J with no usable vehicle from about 24 January to about 10 February 2023. That was a period of about 17 days.

I accept the main dealer's statement that the vehicle shouldn't be driven over 30mph with the suspension in "extended" mode.

The main dealer's invoice to Admiral dated late April 2023 included the following:

"vehicle required new front shockers and height sensors to rectify issue. however, when replacing sensors unable to tell the integrity of wiring? at this age etc could be corroded or damaged and might need attention when changing"

So the main dealer was recommending new front shock absorbers. And the main dealer was recommending some new height sensors but was flagging up that there might be damage to some wiring. The main dealer hasn't said that the accident caused suspension damage.

In my view, there isn't enough evidence that the need for new front shock absorbers or the need for new sensors was caused by the impact to the rear of the vehicle. So I don't consider that Admiral treated Mr J unfairly by offering to do repairs only to the accident damage to the bumper, or by ceasing to pay for the hire car.

From the file, I find that there were times when Admiral didn't keep M J updated or even respond to his email.

Mr J's response to the provisional decision

I accept Mr J's point that he reversed into a heavy goods vehicle. As I've said, I've noted the photographs of the damage to Mr J's vehicle.

I accept that his vehicle has sensors in the rear bumper. But Mr J hasn't previously suggested to us that the ride height sensors or their connectors are in the area of the impact on the nearside. Neither has the main dealer made that suggestion. So I don't consider that there's enough evidence that the impact damaged the ride height sensors or their connectors.

Mr J has said that it was he who asked for his vehicle to go to the main dealer. Although Admiral's engineer made that recommendation in his report, I have no reason to doubt that Mr J had asked for that. So I don't find it proportionate to try to track down the call recordings, delaying this final decision.

I accept that the main dealer didn't provide any evidence of an electronic record of the timing of when suspension faults were first logged.

Mr J is unhappy about the premium Admiral charged for renewal from January 2023. But he did renew the policy and I haven't seen enough evidence that he made that complaint to Admiral at any time before its final response dated mid-March 2023. So – in line with the Financial Conduct Authority's dispute resolution rules - our investigator didn't investigate that complaint and I can't include it in this final decision.

Mr J contends for a waiver of the £350.00 excess. But that excess was payable on any claim (and Mr J made a claim after he reversed into the lorry).

So the effect of what Mr J is saying is that he would like the compensation for distress and inconvenience increased by £350.00. That would be a substantial increase on what I was minded to direct. And Mr J hasn't provided any further detail or evidence of an increased impact on him. So I don't find it fair and reasonable to direct a further £350.00 adjustment in his favour.

Putting things right

I've thought about what it's fair and reasonable to direct Admiral to do to try to put right the shortcomings I've found.

I've thought first about repairs to the bumper. I've noted that the MOT expired on about 10 October 2023. And the vehicle needs new front shock absorbers and some sensors. There's also a tailgate issue and an airbag warning issue. There is also a possibility of some wiring issues. So – notwithstanding Admiral's offer – I don't find it fair and reasonable to direct Admiral to repair the bumper.

Rather, I find it fair and reasonable to direct Admiral to pay Mr J £1,400.00 in lieu of repairs to the bumper, less the excess of £350.00. I've thought about directing Admiral to pay interest from the date of the claim. But Mr J hasn't been out of pocket for the £1,400.00, so I don't find it fair and reasonable to award interest.

I've thought next about the 17 days without a vehicle in January and February 2023. I agree with the investigator that it's fair and reasonable to direct Admiral to pay Mr J £170.00 for loss of use of a vehicle.

Finally, I've thought about the impact on Mr J of Admiral's poor service and communication. That impact included having to contact Admiral on more occasions than should've been necessary. And Admiral has acknowledged that, at the time, it wasn't delivering good telephone service. So Mr J had a frustrating experience.

I agree with the investigator that £250.00 is fair and reasonable compensation for distress and inconvenience. I expect Admiral to cancel its cheque for £100.00 and to pay Mr J £250.00.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Admiral Insurance (Gibraltar) Limited to pay Mr J:

1. £1,050.00 in lieu of repairs to the bumper; and
2. £170.00 for loss of use of a vehicle; and
3. insofar as it hasn't already paid him, £250,00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 13 December 2023.

Christopher Gilbert
Ombudsman