

The complaint

Ms R has complained about the way her motor insurer, Admiral Insurance (Gibraltar) Limited ('Admiral'), dealt with a claim she made on her policy.

What happened

The claim

Ms R has a motor insurance policy with Admiral which started in November 2021. In February 2022 Ms R said her car was taken without her consent by a former partner of hers who subsequently crashed it. Ms R said the accident happened in the early hours of the morning.

Ms R's former partner took out temporary cover a few hours after the accident and attempted to make a claim on that policy. That complaint was rejected by his insurer as he had provided incorrect information regarding his licence. But before the claim was rejected, Ms R's car was recovered by that insurer and put in storage where it remains.

Ms R said she was threatened by her former partner who had also been abusive towards her and told her to say he had borrowed her car with her consent. She said this was not, in fact, the case and the car was taken without her knowing about it.

Ms R reported the claim to Admiral. Due to Admiral's delay in dealing with it she later made a complaint.

The complaint

Admiral issued a final response letter in July 2022 and rejected Ms R's complaint. It said this was because she had changed her version of events as she had initially said her former partner had borrowed her car and later said he had taken it without her consent. It said because of its concerns the claim was subject to a full investigation and that it was still waiting for the other insurer to send it its full file.

Admiral told us it believed Ms R changed her version of events only after the other insurer rejected the claim. It said it took a statement from her where she said her former partner had used her car before and that she had left him alone with the keys on the day of the incident. It added that Ms R didn't report the matter to the police within 24 hours as required under her policy. Admiral also told us that it was still waiting for the police report in order to see whether Ms R had supported the prosecution.

What the parties told us

When we spoke to Ms R she said Admiral hadn't paid for the police report and was causing delays. Ms R also told us that she continued to pay her premiums even though she had no use of her car. She added that she had to take out a loan to buy another car in May 2022 so she could drive to work and had to take taxis most days. She said she has various loans that went unpaid and that she lost her no claims discount (NCD) and that this led to her premiums increasing.

Ms R added that she found the event and the relationship very traumatic and was fearful for her and her children's safety. She also found out she was pregnant but subsequently had a miscarriage.

Admiral said that the police told it it had closed the case with no action but this was not until November 2022. It said it paid the fee in December 2022. Admiral reiterated that if Ms R was concerned she should not have left her former partner alone with her keys. It said texts exchanged between her and her partner at the time didn't say he did not have permission to use the car. In relation to the premium, Admiral said that Ms R had been allowed to add a new car to the policy.

In relation to the car, Admiral said that when it spoke to Ms R on 16 March 2022 she didn't know where the car was. It didn't hear from her until the end of April 2022 when she said she decided to leave the car in storage. It said it spoke to the storage yard in May 2022 for the first time. The only option it gave Admiral was to pay the storage in full. It said it contacted the yard in March 2023 and it wanted £11,000 from Admiral which far outweighs the value of the car which is worth roughly £2,000. The yard refused to provide photographs but as far as Admiral was aware the car was undriveable and likely a total loss but wasn't able to confirm without photographs.

We also got in touch with the other insurer. It said it hadn't received information it required from the driver or Ms R so it told the driver it would return the car to Ms R around the beginning of March 2022. It said it tried to get in touch with Ms R but she was not available. Ms R called back on 16 March 2022 and said she'd rather the car was not returned to her. The other insurer said storage charges were accruing and it could either be returned to her or collected by Admiral. It said that towards the end of March 2022 Admiral said it would arrange collection of the car. The other insurer agreed to pay for recovery and storage up to 16 March 2022 when Admiral became aware of the claim and the car's location. But on 25 April 2022 Admiral emailed to say it would not be collecting the car and that it had told Ms R to arrange for collection herself.

The insurer added that it is insurance industry practice that while a claim is being validated the insurer accepts that there are costs that might need to be paid and potentially later recovered from its customer. It said if Admiral had called the storage yard they would have considered freezing the storage charges or negotiated. It also said the vehicle had no damage so it could have been returned to Ms R once the storage charges were settled.

Our investigator's view

One of our investigators reviewed Ms R's complaint. Our investigator thought Ms R's complaint should be upheld and she should be awarded £600 compensation for the distress and inconvenience caused by Admiral's delays. She also thought Admiral should pay storage and related charges from 17 March 2022 onwards as well as deal with the damage claim in line with its policy terms. Our investigator also agreed that Ms R's car had been taken without her consent and didn't think her former partner lived with her permanently (something that could have allowed Admiral to reject the claim). In relation to Ms R changing her version of events our investigator thought this was due to her being vulnerable and feeling threatened by her former partner.

Ms R responded to say she had hoped for a higher compensation award and also asked if Admiral would be considering her car's value at the time of the accident. Our investigator responded to say that it would consider what the value was just prior to the accident.

Events after our investigator's view

A few days after our investigator's view Admiral wrote to Ms R to say that it didn't believe the accident happened as Ms R had reported to it. Among other things it said that Ms R had

allowed her former partner to use her car previously without insurance and having only a provisional licence and questioned whether she'd made it clear to him that he wasn't allowed to take the car on that occasion. It added that Ms R had changed her version in every call to it and in the information she had provided to us. Finally, it said there was no mention in the police report to say that she supported the prosecution.

It said it considered this to be a deliberate attempt to mislead it over the circumstances of the incident and so it repudiated the claim. It also cited its fraud condition and said it would proceed to cancel the policy within seven days. It also said it would seek to recover its investigation costs from Ms R which amounted to £584.30 and reminded her to collect her car from the storage facility.

Ms R told us that she thought her former partner had a full licence. She added that her former partner had assaulted her days before the incident while her children were in the house. She added that he'd assaulted his former partner and had also taken her car without her consent. She said on the day of the incident they'd had an argument and she ended their relationship. He said he had no means to get home and she had made it clear to him he was not to take her car and she would drive him in the morning.

Ms R also said when she first reported the incident to Admiral she said she had allowed her former partner borrow her car as he had instructed her to do so. She was fearful as he still had her house keys with him at the time, and those keys were with the car keys. She added that he wasn't living with her but that he had stayed over before. She said she contacted the police outside the 24 hour window due to Admiral telling her it needed a crime reference from her and, in any event, the police agreed it was theft. She said at the time when Admiral told her to collect the car and pay for it herself the charges were £800 which she could not afford. She said she believed that the stress and anxiety she has been under caused her to increase her medication for depression and anxiety and ultimately led to her losing her baby in November 2022.

As there was no resolution to the matter it was passed to me to make a decision.

My first provisional decision

I issued my first provisional decision in September this year. An extract from my findings follows:

"I'd like to start by saying how sorry I was to hear about Ms R's experience with her former partner and about the loss of her unborn baby. These events must have been very traumatic for her. I hope that things have improved now, for her and for her family.

As I mentioned above, I will be dealing with events that happened after our investigator issued her view in this decision. I felt it was more practical to do so rather than ask Ms R to bring a further complaint against Admiral. Admiral is aware of this and agrees.

Timeline of the claim and Ms R's statements

Ms R reported the incident to Admiral the day after it happened in February 2022. Admiral recorded that the driver had his own insurance and said it wouldn't deal with the claim for this reason. According to Admiral's notes during the call Ms R said that a friend (her former partner) had borrowed her car but had taken out his own insurance policy. She said her friend told her that his insurance had taken the vehicle somewhere to repair but she wanted to doublecheck with Admiral that this was indeed the case. She said the driver told her that a tyre blew out but she thought it was more likely that he crashed the car. She said that the accident happened at 10am that day and that this was the first time he was using her car

and needed it for a family emergency. But she said she made him take out his own insurance in order to use it.

The following day Admiral noted that Ms R was potentially looking to prosecute the driver for theft. According to Admiral's notes Ms R called the day after the accident and said that the information she had provided the previous day was incorrect. She said the former partner's temporary policy was taken out at 9am, a few hours after the incident had happened. Ms R said that she had tried to split up from her former partner and that he had become violent and took her car while she was asleep. She said it was he who told her to lie to both insurers and say that she had consented to him taking the car. She said he kept taking her car and there was nothing she could do about it as he was violent. She said she had messages from him which proved that he had taken the car without her consent.

Ms R also said that after the accident she found evidence that her former partner was on bail for assault. She said she had only been seeing him for just over a month and that he'd assaulted someone else five days before she'd met him. She said that on the day in question she'd told her former partner via text message that she'd rather he hadn't taken her car as she was worried he wouldn't return it. He responded to say he took it without asking because he didn't want to wake her as she'd been asleep. Ms R said she was scared to support a prosecution against her former partner fearing for her family's safety. She asked Admiral to confirm whether it would cover the claim before she went to the police.

A few days later, Ms R provided a statement where she repeated what she had told Admiral. She said she'd gone to bed early and when she woke up she looked out of the window and saw that her car was missing so she messaged her former partner to say he shouldn't have taken the car. She said it was later- in the early morning hours- that she woke up to messages and missed calls from him saying that he had crashed the car. She said he threatened her not to call the police and asked her to find his driver's licence so he could take out temporary insurance. It was at that point while searching in his bag that she found out about his history of previous assaults and that he was out on bail. She said it was also at that point that she realised he only had a provisional licence. She said she was afraid after seeing letters regarding other assaults and added that he made her call his insurer to say she had lent him the car. She said his insurer was asking a lot of information and she was crying and said she couldn't lie anymore. When asked if she had given her former partner permission to drive the car before she said yes but not on that night. Ms R reiterated that she couldn't afford to get another car and that as far as she was aware her car had been stolen.

Around two weeks later Ms R called Admiral and provided the other insurer's details and said she was still in discussions with it about the vehicle's location.

On 22 March 2022 Admiral spoke to the police who said that the incident involved aggravated vehicle taking. The police said that Ms R didn't want to support a prosecution if she didn't have to. The police added that they wouldn't necessarily need Ms R's support because her former partner didn't live with her and that the report would always show that this was aggravated vehicle taking.

On the same day, Admiral spoke to the other insurer who provided the location of the vehicle. Admiral asked what Ms R had told the other insurer. The other insurer said the incident was reported on the same day and that Ms R had told it that her former partner asked to borrow the car for an emergency and she told him "no" unless he had insurance. That's when he took out a day's insurance and sent the documents to Ms R who then confirmed he could use the car. The other insurer said it wouldn't be dealing with the claim as its insured had provided incorrect information about his licence.

Two days later Ms R called Admiral to say she had received a letter from it. Admiral told her that she was responsible for collecting the car and for paying the storage charges. Ms R said she thought that Admiral would be dealing with all this but Admiral said this wouldn't be the case.

In April 2022 Admiral got in touch with the other insurer and also instructed an investigator to interview Ms R. Ms R provided a statement and said that she was in fear of violence from her former partner. There are also notes in April 2022 of Ms R saying she couldn't afford to get the car out of storage. Admiral chased the other insurer twice in May 2022.

Admiral also spoke to the storage yard in May 2022 who said they wanted the car removed from storage and that storage charges were ongoing. Admiral said it was still investigating but had advised Ms R to collect the car. The recovery agent said it would rather Admiral pay the storage charges and recover them from Ms R rather than the car incurring unnecessary storage charges. Admiral referred the matter to the other insurer.

On 9 May 2022 Admiral spoke to Ms R and asked her to collect the car and pay the costs. It said it was still waiting to hear back from the other insurer. Ms R said that she couldn't afford the costs and Admiral recommended she calls the storage yard and agrees a payment plan.

In July 2022 its notes indicate that it applied for the police report. There are also notes of Admiral speaking to Ms R in September 2022 and her making it aware of the fact that the car was still in storage. Admiral said it was still waiting for the other insurer's file.

In November 2022 Admiral said it was still waiting for the police report. Ms R called in December 2022 and said the police told her Admiral was causing delays as it hadn't paid the fee for the report but Admiral said it had no correspondence from the police. Around the same time the other insurer confirmed that Ms R was coerced into saying that she had provided her former partner permission to drive the car. The police's fee request was sent on 10 November 2022 and I see that Admiral raised the payment on 6 December 2022.

The policy

Ms R's policy says that Admiral will provide cover if her car is damaged in an accident. It also says it will not pay for any loss or damage or liability directly or indirectly caused or contributed to by the vehicle being, among other things, "taken or driven without your consent by someone who normally lives with you as part of your household".

Though Admiral didn't specify this when the complaint came to us as it was still investigating, it did imply that the claim could be rejected as Ms R's former partner was living with her. Below, I explain why I don't think this was fair and reasonable.

After our investigator provided her view Admiral turned the claim down and said it would cancel the policy citing fraud. The policy says that the customer must always answer Admiral's questions honestly and provide true and accurate information. If they provide false, exaggerated or misrepresented information Admiral may, among other things, amend, cancel, declare the policy void or refuse to pay a claim. If it identifies fraud, Admiral will cancel or void other policies the customer is connected with. Below, I also explain why I don't think Admiral acted fairly and reasonably in this respect.

Fraud allegations and discrepancies

Admiral said there were a number of inconsistencies in what Ms R said to us and to it. It said when she first reported the claim she told it that her friend borrowed the car and that the accident happened at 10am and that this was the first time she was letting him use her car.

It said when she called the following day she said he took her car and crashed it at 2am, that he had told her what to say, that he was living with her and kept taking her car. She also said she had been asleep at the time. And that she noticed the car was gone when she saw his texts about him going to his cousins.

A few days later, she said that despite telling her former partner that she would take him home the following morning, he took the car and texted to say he had gone somewhere. And that's when she looked out of the window and saw he had taken the car. She said he didn't have her consent to drive her car but had it in the past and he only had a provisional licence. When Admiral spoke to the other insurer it was told Ms R had let her former partner borrow her car.

To Admiral's investigator Ms R said she had allowed her former partner to drive the car a couple of times but had difficulty getting it back. On the day in question, she had left her keys in the kitchen. She added that her former partner returned to her house the day after the accident and told her what to tell Admiral.

To us Ms R said that her former partner took her car without her permission. She said she was upstairs when she heard the door shut. She looked out of the window and saw he had taken the car. In the early hours after several missed calls, she discovered he had been in an accident.

Text messages

Ms R provided screenshots of her exchanges with her former partner. They show that he messaged her around 3am to say that her tyres blew out and caused him to crash into the rails. There is an earlier message from him, around 9:20pm, saying he was going to his cousin's house. Ms R responded ten minutes later to say that he had taken "a liberty" taking her car. There are also exchanges about them fighting. There was also a message around 9:30pm from her former partner saying that he had been asleep and he didn't want to wake her. He said he wanted to think about things and would be back either in the evening or the following morning. Ms R responded to say that she'd rather he left her car there.

Financial Conduct Authority (FCA) guidance on vulnerable consumers

The FCA, as the financial services regulator, has set out guidance for businesses when it comes to vulnerable customers. The FCA says that "a vulnerable customer is someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care". The FCA recognises that all customers are at risk of becoming vulnerable at any time. This risk is increased by characteristics of vulnerability which can include life events such as relationship breakdown and domestic abuse.

The FCA's guidance also states that businesses should make sure they treat customers fairly by understanding the impact of vulnerability on the needs of their customers and considering how this may affect their experience and outcomes. They should also ensure that their staff have the requisite skills and capabilities to deal with vulnerable customers. And when it comes to taking action they should ensure that they have appropriate systems and processes in place to provide appropriate levels of customer service and adjust their communication as appropriate.

Why I don't think Admiral acted fairly and reasonably in this case

In this case Ms R has spoken to us extensively about the difficulties she had with her former partner, him being abusive and also the loss of her baby. She has also provided evidence that he had been violent towards a former partner. I would consider Ms R to therefore fall within the vulnerable consumer category. It follows that I think that Admiral should have put

things in place to make sure she was being treated fairly and not being at a disadvantage compared to its other customers.

Admiral said that Ms R changed her story a number of times and more recently said that this was a deliberate attempt to mislead it which amounted to fraud. It said this gives it the right cancel the policy and seek a reimbursement from her.

Having looked at all the evidence including Ms R's discussions with Admiral I don't think Admiral acted fairly and reasonably in the circumstances. I note that Ms R did initially say that she let her former partner borrow her car on the proviso that he would take out his own policy. And that she later said that this was only done after the accident and that he had taken the car without her permission. Bearing in mind the nature of her relationship with her former partner I accept that, on balance, she was under pressure from him to provide false information to Admiral and to the other insurer. Ms R has supported her version of events with texts which show that on the specific occasion her former partner did take the car without her permission. I am specifically referring to his message saying he did not want to wake her up to ask to take her car. So, if she was asleep she could not have consented to him taking the car.

In terms of Ms R's accounts of events to Admiral and to us after the day of the accident where she said she had not provided consent I don't consider any discrepancies to be significant enough to amount to fraud. There may be small discrepancies in terms of when Ms R became aware her car was missing and by what means but I don't think they are significant enough to amount to a deliberate attempt to mislead. This is bearing in mind the levels of stress, fear and anxiety she will have been under at the time. Ms R has been consistent regarding the salient points which are that she did not provide consent and the time of the accident- these are both backed up by her texts.

Ms R has also provided evidence in support of her former partner's previous convictions where he'd assaulted his former partner, taken her car without her permission and also assaulted a police constable. In the circumstances I think her saying she was afraid for her and her family's safety is completely understandable. And with his history of taking cars without consent, I think this further supports Ms R's statement that she did not provide consent for him to take her car. She also said he had threatened her and that is why she was reluctant to report the matter to the police and support the prosecution. This is also understandable though I note that she did report the matter to the police within a matter of days, albeit not within 24 hours. In any event I don't think this has impacted the police's job or Admiral's ability to investigate. So I don't think it caused it any prejudice.

Ms R also said that her house keys were on the same chain as her car keys and that this is another reason why she was feeling very anxious and afraid. She wanted to make sure her former partner returned the keys before she took any further steps. I accept how this would cause Ms R further anxiety. And I accept how her fear and anxiety could have impacted her in terms of being able to recount exactly what happened when speaking to Admiral and to the other insurer.

Admiral also said that Ms R had clearly given her former partner, who it believed was living with her, permission to driver her car previously. It said this was despite him only having a provisional licence. Admiral also said Ms R should not have left her keys where her former partner could easily take them.

Ms R said she was not aware of the fact that he only had a provisional licence and only found out when he'd asked her to go through his things to give him his licence details so he could take another policy out. I don't have any reason to doubt what Ms R has said. I also don't doubt Ms R when she says that he didn't live with her. I say this because the

documents she has provided which include court and other documents show him living at different addresses and none is the same as Ms R's. Also his conviction for assaulting a former partner shows that he had done this only about a month before this incident. On balance I think this supports what Ms R has said about this being a new relationship and I therefore think it is more likely than not that her former partner did not live with her. In terms of whether he had permission to drive the car on other occasions I don't think this is relevant, in these circumstances, as the main concern is whether he had consent on the specific occasion when he crashed the car. And for the reasons I have already given, I don't think he had.

For these reasons I don't think Admiral has done enough to demonstrate that Ms R gave deliberately misleading information and committed fraud. So I don't think it's fair and reasonable for it to cancel her policy and seek reimbursement from her citing fraud.

I also think Ms R has demonstrated that she had a valid claim which Admiral should have covered from the start. For the reasons I have already given I don't think her former partner lived with her and I don't think he had permission to take her car when he was involved in an accident. So Admiral should cover the claim in full including all the storage charges.

I have already given my reasons why I think Admiral should have treated Ms R as a vulnerable consumer. I don't think it did so and I don't think it followed FCA guidance when dealing with Ms R. I think it should have adjusted its communication with her and I think it should have put things in place to ensure she was being treated fairly. I think this included taking into account the fact that she was in a vulnerable state when providing her evidence which could have led to minor discrepancies. And I think it should have given more weight to the fact that she may have been put under pressure by her former partner to provide information which wasn't accurate. I think it failed her in this respect.

Ms R has told us that she was under enormous stress, she feared for hers and her family's safety. She also said she suffered a miscarriage. I don't think Admiral is directly responsible for these events but I do think it could have done more to help Ms R in the circumstances. For example by treating her as a vulnerable consumer and providing further support. The matter has been going on for a long time, Ms R has been under the stress of worrying that she has to pay for all the storage charges and she said she has had to take out loans which she is unable to pay. I think Admiral failed her in a number of respects and I think if it had dealt with the claim as it should this would have taken a lot of stress off Ms R. Even when it was still investigating the claim I think it could have paid the storage charges to get the car out of storage and then settle the matter with Ms R- as suggested by the other insurer who said that this is also industry practice. For these reasons, I think Admiral should pay Ms R £600 compensation for the distress and inconvenience it caused her.

Finally, Ms R mentioned to us the loss of her NCD and the increase in her premiums. I'd like to explain that any claim that requires Admiral to make payments out which it's not going to be able to recover will result in the loss of her NCD- unless protected and that is only in certain circumstances. She also mentioned an increase in her premiums but again a fault claim on her policy would very likely lead to an increase in premiums. But in any event, I note that Ms R also changed her car which could also lead to a change in premium. I don't think Ms R complained to Admiral directly about these issues so if she still wishes to she may raise a separate complaint."

In my first provisional decision I provisionally decided that Admiral should pay the claim in line with the terms and conditions of the policy. I noted that in terms of the storage charges the other insurer had agreed to pay those up to a certain point. So I thought Admiral should pay the charges thereafter and I also said that it was free to try to negotiate with the storage yard if it wished, but specified that it could not try to recover any shortfall from Ms R. I also

said that it should pay the claim for the damage to the car as per its terms and conditions. I added that I didn't think that Admiral could rely on the fraud exclusion on this occasion, cancel the policy or seek reimbursement of its investigations costs from Ms R. Finally, I said it should pay Ms R £600 compensation for the distress and inconvenience it caused her.

Admiral accepted my provisional decision and said it would make the payments I had suggested.

Ms R also accepted the provisional decision, but she provided additional comments. She said she was still being chased for the storage charges which was causing her distress. She also asked to be reimbursed for the premiums that she continued to pay for the period where she was without a car. Also, due to the length of time that had passed, she asked that Admiral paid for the total loss value of the vehicle rather than paying for the repairs and returning the car to her. She also didn't think £600 was enough for the distress that she suffered as a result of not having her car, going into debt to buy another one and the impact the incident had on her overall mental health and well-being.

I went back to Admiral, via our investigator, and said I thought Ms R's comment above was fair. I also felt a fair offer for the total loss value of the car would be around £2,800 having run valuations using the motor industry guides.

Ms R felt a valuation of £3,000 was more fair.

Admiral responded to ask a further provisional decision in order to review the additional point about the total loss. It added that there was no evidence or proof that the vehicle was a total loss and didn't know the condition of the vehicle whilst in storage. It said it felt the vehicle should be removed from storage and inspected in order to determine if it is economical to repair or not.

My second provisional decision

I issued a second provisional decision earlier this month. An extract from my findings follows:

"I'll deal with Ms R's comments first. I have already addressed the issue of the storage charges and Admiral has agreed to pay them, so I don't think it needs to be addressed further. In terms of Ms R's premiums and having to pay those while being without a car, it is a term of her policy that in the event of a valid claim the full years' premium becomes payable. And that is because in motor insurance the premium charged is for the entire year, it's not a monthly premium. So, as I think Ms R had a valid claim under her policy, which I am asking Admiral to pay, I don't think she is due any premiums back.

I appreciate Ms R feels that further compensation is due for the distress and inconvenience she suffered. She says she was without her car for 20 months, but I note that she had a replacement car within a few months of the incident. I appreciate she says that she went into debt to purchase another car, and this has caused her distress. I don't think this is something that Admiral was directly responsible for but if she feels that she was given loans that weren't affordable to her this is something she can complain to those businesses directly about. I fully appreciate that Ms R has been under enormous stress for a variety of reasons, but I feel that a number of those reasons were not down to Admiral, as I explained in my first provisional decision. So, I still think a £600 compensation award is fair and reasonable in the circumstances.

Ms R feels that, due to the passage of time, Admiral should pay her for the total loss value of her vehicle rather than inspect and potentially repair it. She said she'd be happy to accept £3,000 for this. We have run our own valuations which returned values of around £2,800

excluding any outliers. Those valuations were obtained using motor trade guides which are based on extensive nationwide research of likely selling prices; which we feel gives an good indication of what a car is worth. So, I think a value of £2,800 is fair and reasonable in this case.

Admiral said the vehicle should be inspected first in order to determine whether it is a total loss or not. I take Admiral's comment but I don't agree, in these very specific circumstances, for the following reasons. The car has been in storage for well over a year. It's unclear what condition it is in but it is more likely than not that its condition has deteriorated while it hasn't been used. As I said in my provisional decision I think it would have been reasonable for Admiral to have taken the car out of storage early on and then settled the matter with Ms R directly. So I think the car's likely deteriorating condition was down to Admiral's actions. Also, as I have said in my provisional decision Ms R is a vulnerable consumer. Admiral should treat her as such. This complaint has been going on for a long time and it I don't think it would be fair or reasonable particularly given Ms R's vulnerability to prolong it any more. I think inspecting the car and then deciding how to settle the matter would unnecessarily prolong this already long process. Ms R would then have to wait for the car to be repaired and returned to her and then she'd have to arrange to sell it, as she already has a replacement car. This could be a long and distressing process. If the car is in a deteriorating state, as I said it is likely that the fact that it has been in storage for a long time is a factor in this. And if the car is in a repairable state it will be open to Admiral, as the owner of the car, to repair it and sell it on thus recouping some of its expenses."

In my second provisional decision I provisionally decided that Admiral should pay the claim in line with the terms and conditions of the policy. I said it should pay £2,800 for the total loss value of Ms R's car subject to any excess plus interest. The rest of my decision was as per my first provisional decision.

Both parties accepted my second 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.

As neither party made any other comments my views on the complaint as set out in my provisional decisions have not changed. My provisional findings along with any further comments here are now the findings of this my final decision.

My final decision

For the reasons above, I have decided to uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to pay the claim in line with the terms and conditions of the policy. It must pay £2,800 for the total loss value of Ms R's car, subject to any applicable policy excess if one hasn't already been deducted. It must also pay 8%* interest per year simple on the £2,800 starting a month after the claim was made to it up to the date it pays Ms R. I note that in terms of the storage charges the other insurer has agreed to pay those up to a certain point. So Admiral can pay the charges thereafter and it is free to try to negotiate with the storage yard if it wishes but it cannot try to recover any shortfall from Ms R.

For the reasons I have given I don't think Admiral can rely on the fraud exclusion on this occasion, cancel the policy or seek reimbursement of its investigation costs from Ms R.

Admiral Insurance (Gibraltar) Limited must also pay Ms R £600 for the distress and inconvenience it caused her.

Admiral Insurance (Gibraltar) Limited must pay the compensation within 28 days of the date on which we tell it Ms R accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8%* a year simple.

*If Admiral Insurance (Gibraltar) Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Ms R how much it's taken off. It should also give Ms R a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 19 December 2023.

Anastasia Serdari
Ombudsman