

The complaint

Mr A complains that Admiral Insurance (Gibraltar) Limited has caused significant delays in progressing a claim under his landlord insurance policy.

What happened

In November 2022, Mr A made a claim under his landlord insurance policy for malicious damage caused when his rental property was used as a cannabis farm.

Due to the slow progress of his claim, the lack of communication, and general poor customer service, Mr A made multiple complaints to Admiral. He instructed a loss assessor to help him get answers from Admiral and the loss adjuster.

Admiral upheld all four of Mr A's complaints in their final responses dated between February 2023 and June 2023. In total, it paid £575 compensation for what went wrong.

Mr A remained unhappy, so he contacted our service. He's told us that he's lost out on rent due to the property being uninhabitable and he's incurred fees for a loss assessor which he wouldn't have needed had Admiral dealt with his claim appropriately.

Our Investigator agreed that Admiral had caused unnecessary and avoidable delays, so he upheld the complaint. He recommended that compensation be increased to a total of £700 to reflect the seven months this claim had been ongoing, and to pay Mr A's loss assessors costs. He also said Admiral should accept the loss of rent coverable under the policy.

Mr A accepted our Investigator's recommendations, but Admiral didn't respond. So the complaint has been passed 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.

From the information provided, Admiral seems to accept that Mr A's claim for malicious damage is covered under his policy. I say this because offers appear to have been made towards the cost of the damage. So my decision is made on the basis that the claim meets the policy terms and conditions.

I'm aware that Mr A's claim is still ongoing. To be clear, I'm only considering what's happened up until 7 June 2023 which is the date of the last final response letter issued by Admiral prior to the complaint being referred to our service. If Mr A is unhappy about anything that's happened since that date, he should raise a complaint to Admiral which he can refer to our service in the same way that he has here.

The Financial Conduct Authority's (FCA) Insurance Conduct of Business Sourcebook (ICOBS) requires Admiral to handle claims promptly and fairly, provide information on the

claims progress, and to not unreasonably reject a claim. I've kept this in mind when considering Mr A's complaint.

It's not in dispute that Admiral hasn't handled Mr A's claim promptly and kept him informed throughout on the claim's progress. It acknowledges that calls and emails haven't been returned by Admiral and the loss adjusters, updates haven't been provided, and there's been a general lack of progression to the claim. So I don't need to make a finding on whether or not Admiral did something wrong here – it did. What I need to decide is whether it's done enough to put things right.

Admiral has paid four separate compensation payments amounting to £575. But I agree with our Investigator that this doesn't adequately reflect the impact Admiral's actions – or inaction in this case – has had on Mr A. I've no doubt he would've suffered a considerable amount of inconvenience at having to continuously chase Admiral, for still no progress to be made and the same failings to be repeated again. This had been ongoing for seven months at the time of his last complaint and I haven't seen anything from Admiral to justify these delays.

Furthermore, Mr A has suffered consequential losses as a result of Admiral's inaction on the claim.

Firstly, Mr A felt he had no choice but to get representation to assist him given the difficulties he was having with his claim, and I can understand why. Considering the extent of the delays and inaction on Admiral's part I'm satisfied it was reasonable in these particular circumstances for Mr A to have felt it necessary to employ a loss assessor to try to move the claim forward. So I will direct Admiral to cover these costs from the date they were instructed up to the date of the last final response letter.

Secondly, while Admiral has accepted to cover the claim for malicious damage – that is to say it will carry out an effective and lasting repair in line with the policy terms – it simply hasn't completed this yet. As a result of Admiral's delays, Mr A hasn't been able to re-let the property as it remains uninhabitable. He has cover under his policy for loss of rent when the property is not fit to live in due to loss or damage from an insured peril, which is the case here.

Mr A has provided a tenancy agreement with the former tenant, and he's explained that as the fixed term period had ended the tenant was on a periodic tenancy. The tenant was living at the property at the time the claim was made but moved out shortly after. So, on the face of it, it appears Mr A's claim for loss of rent would be covered by the policy.

As such, it's not clear why Admiral has refused to honour this part of the claim. It has provided no further evidence following our Investigator's opinion that this claim should be met, so I see no reason to deviate from this outcome.

Taking into account that Mr A would've been able to let his property out again quicker had Admiral progressed the claim promptly, I'm satisfied it's fair for Admiral to meet the loss of rent claim for the seven-month period I'm able to consider. I don't intend on interfering with matters following the last final response of 7 June 2023 as the details of the circumstances aren't known to me. However, for the period that follows I'd expect Admiral to reasonably consider whether a claim for loss of rent should be continued in line with its remaining terms and conditions.

My final decision

For the reasons I've explained, I uphold this complaint and direct Admiral Insurance (Gibraltar) Limited to:

- Pay an additional £125 compensation, bringing the total to £700,
- Pay the loss assessor's fee for representing Mr A on this claim from the date they were instructed to June 2023,
- Meet Mr A's loss of rent claim for the period of November 2022 to June 2023, plus 8% simple interest per annum from the date each monthly payment was due to the date the payment is made.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 17 May 2024.

Sheryl Sibley
Ombudsman