

## **The complaint**

Mrs L complains that Admiral Insurance (Gibraltar) Ltd mishandled her claim on a motor insurance policy.

## **What happened**

The subject matter of the claim and the complaint is a luxury sports utility vehicle with a large engine and first registered in September 2019.

By late January 2021 (the date of its most recent V5 registration document), Mrs L had acquired the vehicle on a finance agreement. She agreed to pay instalments to the finance company of £1,176.33 on the 12<sup>th</sup> day of each month.

For the year from mid-January 2022, Mrs L had the vehicle insured on a comprehensive policy with Admiral. Any claim for theft was subject to an excess of £500.00.

In late September 2022, the vehicle passed an MOT test with a recorded mileage of about 12,500.

In mid-October 2022, Mrs L added a named driver.

In early November 2022, Mrs L reported that someone had stolen the vehicle.

In mid-January 2023, Admiral said it was investigating the circumstances of the theft. Mrs L engaged solicitors to assist her.

On about 4 February 2023, Mrs L provided CCTV footage of the theft.

On about 2 March 2023, Admiral decided that the pre-theft value of the vehicle was about £84,600.00. Admiral understood that the balance due for settlement of the finance agreement was about £61,000.00. Admiral paid Mrs L about £20,000.00.

On about 12 March 2023, Mrs L paid the finance company £1,176.33.

By mid-March 2023, Mrs L had (through the solicitors) complained to Admiral about delay in dealing with her claim and paying the finance company.

On about 5 April 2023, Admiral said that the balance due for settlement of the finance agreement was about £62,500.00.

On about 7 April 2023, Admiral reimbursed Mrs L £1,176.33.

On about 12 April 2023, Mrs L paid the finance company £1,176.33.

On about 24 April 2023, Mrs L's solicitors reminded Admiral that it hadn't paid the finance company.

On about 27 April 2023, Admiral reimbursed Mrs L £1,176.33. By late April or early May 2023, Admiral paid the finance company about £61,000.00 in settlement of the finance agreement.

By a final response dated 11 May 2023, Admiral acknowledged the delays in making the settlement and said it was sending Mrs L £200.00 to cover the time, trouble and upset caused in having to chase this over a period of months. Admiral also said it was sending her a further £50.00 due to the delay in providing the final response.

By a letter dated mid-May 2023, Admiral said that it was also sending about £20.00 in added 8% simple interest on the two payments of £1,176.33.

Mrs L brought her complaint to us in late May 2023.

#### *our investigator's opinion*

Our investigator recommended that the complaint should be upheld in part. He thought that the redress of £200.00 for the time, trouble and upset caused was fair. However, he thought that Admiral should've cleared the finance by 9 March 2023.

The investigator recommended that Admiral should:

1. make a refund of the interest accrued after 9 March 2023 (subject to Mrs L providing the necessary evidence to include a copy of the agreement showing the interest rate and the statements from 9 March 2023 to closing to show the interest charged), and
2. make a loss of use payment from 9 March 2023 to the date the finance agreement was closed at the rate of £10.00 per day.

#### *my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mrs L and to Admiral on 4 December 2023. I summarise my findings:

Admiral tried to put things right for Mrs L with a payment of £200.00 compensation for distress and inconvenience (in addition to the reimbursement of the instalments). I was satisfied that this was fair and reasonable in line with our guidelines.

Subject to any further information either from Mrs L or from Admiral, my provisional decision was that I didn't intend to direct Admiral Insurance (Gibraltar) Ltd to do any more in response to this complaint.

Neither Mrs L nor Admiral has responded to the provisional decision. So I see no reason to change my view.

#### **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.

Like many motor policies, Admiral's policy only provided a courtesy car while the insured vehicle was being repaired – and not if it was stolen and not recovered (or otherwise a total loss).

Mrs L had reported a high-value theft. I accept that Admiral needed to investigate the circumstances.

Mrs L chose to instruct solicitors. However, I don't consider that Admiral had done anything wrong at that time. In any event, I don't find it fair and reasonable to direct Admiral to reimburse Mrs L for legal fees.

I don't hold Admiral responsible for any unreasonable delay before about 4 February 2023, when it received the CCTV images.

From its file, I've seen that Admiral tried to pay the finance company, but payment was rejected for some reason. Nevertheless, I would've expected Admiral to pay the balance due to the finance company and the balance to Mrs L by about 9 March 2023.

I'm satisfied that Admiral made an interim payment to Mrs L before that date. However, Admiral didn't pay the finance company until late April or early May 2023.

In the meantime, this delay meant that Mrs L continued to pay instalments and she still had a liability of over £60,000.00 to the finance company. So I accept that the delay is likely to have caused her to defer any acquisition of a replacement vehicle.

However, Mrs L hasn't provided enough detail or evidence of what needs, and what resources, she had for transport in March and April 2023.

In any event, Admiral reimbursed Mrs L for two monthly instalments under the finance agreement. They are likely to have been partly payment of interest but mostly payment of capital or depreciation. Admiral also paid the balance due for early settlement of the finance agreement.

So I don't consider that Mrs L has suffered any financial loss that it would be fair for Admiral to reimburse.

Indeed, I find it likely that, by reimbursing the two instalments of £1,176.33, Admiral has put Mrs L in a much better financial position than if it had merely reimbursed the additional interest it had caused plus £10.00 per day for loss of use for about two months.

So – unlike our investigator – I don't find it fair and reasonable to direct Admiral to pay Mrs L (in addition to those reimbursed instalments) compensation for loss of use of a replacement vehicle that she might otherwise have acquired.

The theft and the need to make a claim were bound to cause Mrs L some distress and inconvenience. I've thought about the extra and unnecessary distress and inconvenience Admiral's delay caused Mrs L. That included having to contact Admiral and the finance company on more occasions than would've been necessary if Admiral had paid sooner.

Nevertheless, Admiral tried to put things right for Mrs L with a payment of £200.00 compensation for distress and inconvenience (in addition to the reimbursement of the instalments). I'm satisfied that this was fair and reasonable in line with our guidelines.

In conclusion, it wouldn't be fair and reasonable to direct Admiral to pay any more than it has already paid to Mrs L.

### **My final decision**

For the reasons I've explained, my final decision is that I don't direct Admiral Insurance (Gibraltar) Ltd to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 25 January 2024.

Christopher Gilbert

**Ombudsman**