

## **The complaint**

Mr G has complained about the way Admiral Insurance (Gibraltar) Limited dealt with his claim for repairs under his car insurance policy.

## **What happened**

In June 2022 Mr G was involved in a car incident involving another vehicle that left the scene. Mr G wasn't able to obtain the registration details for the third party vehicle (TPV).

In October 2022 Mr G complained to Admiral. He was unhappy with the delay in arranging repairs, and that not all incident related damage had been repaired. Mr G had to pay for further repairs. Mr G was without his car for almost six months. Mr G said Admiral's approved repairer (AR) never offered or provided him with a courtesy car. Mr G's car was delivered to his garage for further repairs with a dead battery and dirty, showing a lack of care by the AR.

Mr G said he provided details of several CCTV cameras in the area to assist Admiral in obtaining the registration details of the TPV, but it failed to obtain footage. He was unhappy that this meant Admiral settled the claim as a 'fault' claim due to not being able to recover the costs from a third party. This meant Mr G's No Claims Bonus (NCB) reduced and his premium went up at renewal.

In March 2023 Admiral upheld most of Mr G's complaints. It agreed to pay for some, but not all of the additional claimed repairs, and a replacement battery. It accepted it had provided a poor service and there had been a long wait time in getting his car repaired. Admiral acknowledged that it had difficulty contacting the AR for updates.

To resolve Mr G's complaint, in addition to reimbursing him for some of the additional repairs, it paid compensation of £100 and £370 for 37 days loss of use.

Mr G didn't accept Admiral's response and asked us to look at his complaint. He wanted a refund of the premium he'd paid, for his NCB to be reinstated and for the costs of the additional repairs to be reimbursed to him.

Our Investigator was satisfied from the invoices for further repairs and an email provided by Mr G's garage that Admiral hadn't repaired all of the incident related damage. So he recommended Admiral reimburse Mr G for repair costs to replace the flywheel/clutch and suspension mount of his car.

He thought Admiral had provided a poor service in arranging to obtain CCTV promptly. But he couldn't conclude that even if it had obtained footage, this would have resulted in the claim being settled as Mr G wanted.

The Investigator didn't think Admiral had provided a fair remedy to Mr G for the distress and inconvenience caused. He recommended Admiral increase the compensation from £100 to £300 and increase the loss of use payment for 114 days – taking into account the delay by the AR and further repairs required by a second garage.

Mr G accepted the Investigator's view. Admiral didn't agree. One of its appointed engineers disagrees that the additional damage was caused by the impact of the incident.

Admiral didn't comment on the Investigator's remaining recommendations.

So as Admiral doesn't agree to pay for the additional repairs, the case 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.

When an insurer receives a claim, we expect it to deal with the claim promptly. Mr G reported the incident on 15 June 2022. His car wasn't recovered to the AR until seven weeks later. He didn't receive any meaningful updates about repairs to his car during this time as any updates were initiated by Mr G making contact either with the AR or Admiral.

Mr G was advised on 21 October 2022 that his car was undriveable but that this wasn't related to the incident. The AR said this was due to wear and tear to the clutch.

So after the AR carried out some repairs, Mr G's car was recovered to his garage for further repairs in November 2022.

The area of impact to Mr G's car was to the front right. Pictures provided by the AR show the front tyre and wheel were damaged – the tyre was completely ripped.

Mr G's garage technician wrote the following in an email dated 18 August 2023:

*"When the vehicle came to us the battery was completely dead, we also believe the flywheel, suspension spring and top mount was a result of the accident due to the force of the impact."*

Admiral disagrees and says there isn't evidence to support this, it is just an opinion. It's engineer says the impact was a glancing one, rather than a definitive force in the impact.

However, the opinion provided by Mr G's garage is based on actual repairs having taken place to the area in question. From the photos provided by the AR, it's clear that if the tyre damage – which Admiral said it agreed to cover as a goodwill gesture – had occurred before the incident, Mr G wouldn't have been able to drive his car. Mr G reported that there was a grinding noise coming from the car when he drove it one mile back after the incident. He told us that the force of the impact from the other car lifted his car from the ground.

From the visible damage in the photos, and the fact that Admiral agrees the right front coil spring was damaged in the incident, I think on balance it's more likely that the damage as Mr G's garage described was also incident related, given the area requiring repair and the location of the impact. Mr G's car was driveable immediately before the incident.

So I think Admiral should reimburse Mr G for the repair costs related to the flywheel/clutch and suspension mount. Admiral should pay interest on the reimbursed amount at our applied rate from the date Mr G paid to the date of reimbursement and treat these costs as incident related claim costs.

Mr G says he was without his car for almost six months and during this time he had to rely on friends and family for lifts, or use public transport. Admiral seems to accept that Mr G wasn't offered a courtesy car during the period of repairs, even though he was entitled to one under the policy.

I don't agree that the correct duration for loss of use in this case is 37 days, given the timeline of when Mr G was without his car to the date the repairs were completed. This is the number of days Mr G's car was with the AR for the repairs they carried out. From Admiral's notes, Mr G's car was recovered to the AR around 3 August 2022 – and repairs were finalised on 21 October 2022. But as Mr G's wasn't driveable due to incident related repairs

not being completed by the AR – there was a further delay for Mr G in having his car recovered to his garage and those repairs being finalised on 25 November 2022.

So I agree with the Investigator that the total amount of lost days for Mr G is 114. I therefore think Admiral should increase the loss of use payment to 114 days at £10 a day.

I think the delays and lack of updates, compounded with the failure to complete all incident related repairs, caused Mr G distress and inconvenience over a period of months. I think a reasonable timeframe to have dealt with Mr G's claim would have been around four to eight weeks. In this case, it took almost six months for Mr G to have his car back fully repaired from the incident. So I think Admiral should increase the compensation it pays from £100 to £300 to reflect the distress and inconvenience it caused Mr G. It's clear from Admiral's file notes that Mr G initiated contact for updates throughout the life of the claim and had difficulty – as Admiral did – in being able to speak to their AR.

I understand Mr G is disappointed with the way Admiral requested CCTV footage and how it updated him on what it received from the local authorities it requested footage from. I think Admiral could have acted sooner. Mr G provided details on 16 June 2022. On 4 July 2022 he chased for an update and Admiral realised no request for CCTV footage had been made. When it requested footage, the responses led Mr G to ask if Admiral could obtain further footage outside of the incident location to trace the registration plate of the car with Mr G's description of it. It's well known that the majority of CCTV footage is held for a maximum of 30 days by local authorities – and so it is vital that an insurer makes these enquiries at the outset of the claim.

However, I can't safely conclude that even if Admiral had been able to make further enquiries and at an earlier stage, this would have resulted in footage being found to identify the TPV and lead to recovering the costs under the claim. This means that I don't think Admiral should provide a refund of premiums, or contribute towards any increase in premium Mr G pays as a result of the outcome of the claim. And I think his NCB stands as it does, based on the settlement of the claim.

Mr G says he didn't cash the cheque Admiral sent him in response to his complaint. So my remedy below takes that into account.

### **My final decision**

My final decision is that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to do the following:

- Increase the compensation award from £100 (if it hasn't already paid it) to £300 for the distress and inconvenience caused.
- Increase the loss of use payment from £370 to £1,140 for the total duration of incident related repair days that Mr G's car was at a garage and without use of a car.
- Reimburse Mr G for repairs relating to the flywheel/clutch and suspension mount and pay interest on this sum from the date Mr G paid to the date of reimbursement at a rate of 8% simple interest a year.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 29 March 2024.

Geraldine Newbold

**Ombudsman**