

The complaint

Mr L complains about the way Admiral Insurance (Gibraltar) Limited has handled a claim he made under his home insurance policy for subsidence.

What happened

As the circumstances of this complaint aren't in dispute, I'll summarise what's happened.

- Mr L got in touch with Admiral to make a claim after his builder discovered damage in his kitchen thought to be subsidence. It appointed a loss adjuster, S, who carried out a video call and declined the claim. Mr L took advice from a structural engineer and shared it with Admiral, following which it accepted the claim.
- S carried out drainage repairs and then appointed a builder to repair the damage to the building. When things didn't progress, Mr L complained. He said there had been delays and poor communication. As a result, he felt his life was on hold and it was stressful having to live with the damage and keep chasing for progress – which isn't easy for Mr L to do.
- Admiral accepted it hadn't handled the claim well and paid Mr L £150 compensation.
- Our investigator upheld the complaint. She thought the compensation should be increased to £350 to reflect the impact Admiral's poor claim handling had on Mr L.
- Mr L didn't think this went far enough to put things right. And he asked our investigator to set dates, communication standards and put a dedicated contact in place to help with the remainder of the claim. Admiral accepted our suggestion.

My provisional decision

I recently issued a provisional decision in which I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

- The scope of this complaint is the way the claim was handled up to and including Admiral's complaint response in March 2023. I understand another complaint has been raised about events since then. That will be considered separately.
- Admiral accepts there have been delays and poor communication and has now agreed to pay a total of £350 compensation. The questions for me are whether that's a reasonable amount in the circumstances – and whether Admiral should be required to take any of the steps Mr L asked for.
- The broad outline of the claim history isn't in dispute, so I won't go through each and every event in detail. I'll focus on the key points to explain my decision.

- Mr L first got in touch with Admiral in January 2022. Later that month S declined the claim following the video call. It accepted the claim in April 2022, after Mr L shared the advice received from a structural engineer.
- S arranged for a drainage survey, which identified problems. But it took until October 2022 to put those problems right.
- S then appointed a builder, who visited Mr L in January 2023 to assess the damage and put together a schedule of repair. By the time Admiral responded to the complaint in March 2023, the schedule hadn't been prepared.
- Overall, the period of time in question is January 2022 to March 2023. During that time, Admiral repaired the drains and had a builder visit Mr L. In a subsidence claim of this nature, I'd usually expect those activities to take around 2-3 months at most. So, there's a delay of up to a year. Whilst for some of that time the claim was closed, that was only because S reached the wrong conclusion during the video call. So I think Admiral is responsible for that period of time.
- The claim notes show numerous chasers from Mr L and his son, who has often represented him. Whilst Admiral chased S, there was nonetheless a significant and avoidable delay. It's disappointing to see that despite the number of times Mr L and his son had to chase, and Admiral itself recognising there were delays and poor communication, it didn't take steps to manage the claim more effectively and proactively and ensure Mr L and his son didn't have to continue chasing.
- I understand Mr L's son has taken some time off work to help Mr L with the claim, and has spent considerable time chasing on his behalf. I can't compensate Mr L's son, as he's not Admiral's policyholder. But I can take into account the impact of this on Mr L. He's clearly been distressed by having to ask his son for so much support and that's a direct consequence of the delay and communication problems.
- Admiral is responsible for the claim and is required to handle it promptly and fairly. It failed to do this. As a result, Mr L has been left with damage in his kitchen for far longer than he should have. The claim arose because he was planning for building work to improve his home – that's had to be paused whilst the subsidence claim is outstanding, so he's also had the frustration and disappointment of delaying the work for much longer than he should have. And, in the meantime, it's clearly been a stressful experience waiting for and chasing the next steps.
- To put this right, Admiral should pay compensation. In the circumstances, I think a total of £750 is a reasonable amount – for events up to and including the March 2023 complaint response only. I understand Admiral paid the £150 it offered already, leaving £600. If it paid the additional £200 our investigator suggested, it can deduct that too. But any compensation offered for the second complaint is separate and can't be deducted.
- Mr L would like Admiral to be required to progress the claim by certain dates and to communicate in a particular way. It's required to handle claims promptly and fairly and I think that includes regular, meaningful progress and updates. Admiral can fulfil this requirement through S if it wishes, but Admiral ultimately remains responsible for ensuring it meets its regulatory requirements.

- I don't think it would be practical or beneficial for me to require Admiral to handle the claim by a certain date or in a particular way. Things may happen that are outside of Admiral's control. And, depending on the circumstances, different updates will have varying degrees of urgency and it may be appropriate for them to be given by different people. So setting something specific may not solve the problem. All that's required is for Admiral to ensure it handles the claim promptly and fairly.
- I understand Admiral has agreed to effectively pay for the cost of the structural engineer's advice by offsetting it against the policy excess. That seems reasonable in the circumstances.

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 responded to say it accepted my provisional decision.
- Mr L made several points, which I'll address in turn.
- Mr L queried what I meant by the phrase 'regulatory requirements'. Broadly that's the Insurance Conduct of Business Sourcebook and more specifically I was referring to ICOBS 8.1.1 which says "*an insurer must ... handle claims promptly and fairly*".
- Mr L said he was grateful for the increased compensation but didn't think it was sufficient to motivate Admiral to improve. Compensation awards are intended to reflect the distress and inconvenience suffered by the policyholder, rather than to punish the business, as this Service doesn't have the power to do that. But Admiral is nonetheless required to do as set out in ICOBS, as well as take into account the findings of this Service and apply them in the future. So I would expect it to do both of these things, particularly given Mr L's experience so far.
- Mr L said whilst he'd received a cheque for £150, he hadn't cashed it and had destroyed it. So it shouldn't be deducted as I'd suggested. My view remains that Admiral should pay a *total* of £750. If it hasn't actually paid anything, and the cheque can no longer be cashed, then the full amount of £750 should be paid.

My final decision

I uphold this complaint.

I require Admiral Insurance (Gibraltar) Limited to pay a total of £750 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 9 February 2024.

James Neville
Ombudsman