

## **The complaint**

Mr H complains Admiral Insurance (Gibraltar) Limited (Admiral) unfairly dealt with his claim on his motor insurance policy. He said there were delays and a lack of communication. He said that Admiral also caused further damage to his car and refused to cover this.

There are several parties and representatives of Admiral involved throughout the complaint but for the purposes of this complaint I'm only going to refer to Admiral.

## **What happened**

Mr H was involved in a low impact collision when reversing his car and damage was caused to the rear door. He made a claim on his motor insurance policy.

The car was still drivable as the damage was only minor and Mr H continued to drive it up until Admirals approved supplier collected the car a few weeks later.

Mr H assumed the car had been taken for repair, but he was told by Admiral that as the car had been deemed a total loss it had been taken for salvage. Mr H disagreed and said the car only had slight damage to the rear door. He said if he had been told the car was a total loss at the start of his claim he would not have progressed with the claim. He then cancelled his claim.

The car was returned to Mr H from Admiral's approved salvage contractor. He found there was damage to the front of the car and then found there was an engine coolant leak that was not there when the car was taken from him. The car was no longer drivable.

Admiral agreed it did not make Mr H aware it had classified his car as a total loss. It paid him £250 for the delays and inconvenience suffered. It also accepted further damage had been caused whilst the car was at its approved salvage contractor and made a cash in lieu settlement for damage to the front of the car. It did not accept responsibility for the engine coolant leak. Admiral further paid £25 for the delay in its response to his complaint.

As Mr H was not happy with Admiral, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and felt it was most likely the damage to the radiator of Mr H's car was caused whilst it was in Admiral's care, so it should settle the cost of the recovery and repair costs. They said Admiral should pay a total of £400 for the poor handling of the claim.

As Admiral is unhappy with our investigator's view the complaint has been brought to me for a decision to be made.

## ***What I provisionally said***

### ***Decision to class the car as a total loss***

*I saw Admiral initially informed Mr H that his car would be repaired and had been allocated to an approved repairer.*

*The next correspondence from Admiral to Mr H was to organise collection of the car. It did not contain any further information so I can understand why Mr H thought the car was being taken for repair. Mr H became aware his car had been taken to salvage when he contacted Admiral to discuss its return after the repairs had been completed.*

*I saw Admiral accepted that it did not update Mr H of its decision to class the car as a total loss before the car was taken from him.*

*Admiral said when its engineer triaged the car they classed it as a total loss. Mr H did not agree and said the damage to his car was only to the rear door.*

*I understand that as per the terms and conditions of the policy Admiral is entitled to settle a claim as it decides, but this should be a fair decision. Based on the valuation of the car and the damage reported, I have not seen any evidence to support its decision in this case to class the car as a total loss.*

*I therefore uphold this part of Mr H's complaint.*

### **Damage to car by Admiral**

*When Mr H had his car returned he said it was very muddy inside and out, there was paint all over the windows and the number plate had been taped up. He washed the car and found damage to the front. He reported this to Admiral. When he went to drive his car a few days later a warning light came on to say there was no coolant. It was found that the radiator was leaking.*

*I looked at the images of Mr H's car taken by Admiral's approved salvage contractor when it was collected by them. I also looked at the images of the front of the car when it was returned to Mr H. I found there to be visible damage to the front above the number plate that was not evident in the earlier images.*

*As the car was not driveable I saw Mr H had the car recovered to an engineer of his choice and the radiator was repaired. The cost of recovery was £300, and the cost of the repair to the radiator was £308.14.*

*Admiral accepted liability for the impact damage caused to the front of Mr H's car, but its in-house engineer's expert opinion was that they did not agree the impact damage to the front of the car caused the damage to the radiator. Admiral's in house expert said it cannot accept any damage would have been caused to the radiator on this vehicle from the scratching to the front bumper.*

*Admiral paid a cash in lieu settlement of £323.04 for the visible damage to the front of the car but did not settle the repairs to the radiator.*

*I saw that Mr H paid £300 for the repair and paint to the front bumper at the same time as he had the rear impact damage repaired. Therefore, the cash in lieu amount paid by Admiral for the repairs to the front bumper is sufficient.*

*I accept the expert opinion concluded the damage to the radiator could not have been impacted by the damage seen on the front bumper and I have seen no evidence that contests this. However, Mr H's car was returned from the salvage contractor covered in mud*

*inside and out, as well as the damage to the front, which suggests there was a lack of care taken in general with the car.*

*As there is no conclusive evidence as to how the impact damage to the radiator happened, I think the fair outcome in this case is that Admiral settle half the costs paid by Mr H for the repairs to the radiator.*

*It was Mr H's choice to use a garage that was not nearby to conduct the radiator repair. Although I can understand his reasons for using this garage I cannot fairly expect Admiral to cover the full cost of recovery to a garage such a distance away. I think the fair outcome is that it pays £100 towards this cost.*

*Admiral awarded Mr H £250 compensation in recognition of the delays and inconvenience suffered in this case. I think this amount should be increased to £400 to also take into account its decision to class the car as a total loss without notifying him and without explanation as to why.*

*Therefore, I intend to uphold Mr H's complaint and I intend to require Admiral to settle half the cost of the radiator repairs, pay towards the recovery costs and increase the compensation awarded to £400 in total.*

### **Responses to my provisional decision**

Mr H responded to say he was happy with the provisional decision.

Admiral responded to say it had no further information to add.

### **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 no further evidence has been provided; I maintain my provisional decision and I uphold Mr H's complaint.

### **My final decision**

For the reasons I have given I uphold this complaint.

I require Admiral Insurance (Gibraltar) Limited to pay Mr H

- Half of the cost of the repairs to the car radiator This means half of £308.14 - therefore £154.07. Plus 8% simple annual interest calculated from the date of invoice (1 June 2023) to the date of reimbursement.
- £100 towards the cost paid for recovery of the car .
- A further £150 compensation to take into account that there was no explanation available to support its decision to declare the car a total loss.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 February 2024.

Sally-Ann Harding  
**Ombudsman**