

The complaint

Miss K complains about how Admiral Insurance (Gibraltar) Limited handled a claim made on her motor insurance policy.

What happened

Miss K's car was stolen and later recovered by the police. Miss K spoke to Admiral about this two weeks later and Admiral said the car was likely to be a total loss. It also explained that it would take some time to settle with the claim. Two months later, Miss K complained that her claim had yet to be settled.

Admiral apologised for the call times and offered Miss K £50 compensation. But Miss K was unhappy that she was without her car and had to pay alternative travel costs. She withdrew her claim, but she was unhappy that Admiral recorded this as a fault and her No Claims Bonus (NCB) was affected. She said this had stopped her from being able to afford insurance.

Our Investigator didn't recommend that the complaint should be upheld. She thought Miss K had intended to make a claim for the damage to her car. She thought Admiral hadn't done anything wrong in classing the car as a total loss. She thought Admiral had reasonably progressed the claim and hadn't caused any avoidable delays. And she thought its offer of compensation for Miss K's calls for updates and hold times was fair and reasonable.

She said the policy didn't provide a courtesy car in the case of theft. She thought Admiral had reasonably recorded the claim as a fault on the Claims and Underwriting Exchange (CUE) database as it had incurred costs it hadn't recovered. But it wasn't responsible for the increased premiums Miss K was quoted by other insurers.

Miss K asked for her complaint to be reviewed by an Ombudsman, so it's come to me for a final decision. She said she hadn't asked for a courtesy car and her NCB hadn't been affected by the claim. She disagreed that her car was a total loss and said that if she had known the damage was minimal then she wouldn't have claimed.

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.

I was sorry to hear about Miss K's experience. She's told us that her car lately had issues with a window and the costs of the repair are prohibitive. I can understand that the loss of her car will add further stress to her family circumstances.

Miss K has provided a detailed account of her experience after the theft of her car. I can understand that dealing with this and with Admiral has been a stressful and frustrating experience. Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably.

Miss K said she hadn't told Admiral that she wanted to make a claim. But I don't think this is correct. When Miss K called Admiral to discuss the police's recovery charge, she was asked if she wanted to make a fault claim. And she said "Yes". And so I'm satisfied that Admiral did nothing wrong in opening the claim and investigating it.

Miss K said that Admiral should have given her the option of simply recovering her car rather than making a claim. She said this would have avoided her car being deemed a total loss and leaving her without transport for months.

But when Miss K contacted Admiral it had just been told that her car was damaged, and it told her it thought it would be a total loss and she still continued the claim. Miss K didn't ask then to withdraw her claim or retain her car and I wouldn't expect Admiral to offer this unless Miss K asked.

I can understand that Miss K thought the car had minimal damage. But Admiral made its decision that the repairs were uneconomical given the age and value of the car. I think it's entitled to decide this in keeping with the policy's terms and conditions. So I can't say it did anything wrong in deciding that the car was a total loss.

Admiral warned Miss K that the theft claim may take some time to settle as it needed to investigate it and obtain a police report. I can understand that Miss K needed her car to transport her family, but I don't think Admiral caused any avoidable delays in progressing the claim. It wasn't responsible for the time it took the police to provide its report and I can see that it reasonably prompted this.

Whilst the claim was being investigated, Miss K was without her car and incurred other travel costs. But I can't reasonably hold Admiral responsible for these as it didn't cause any avoidable delays and Miss K hadn't opted for courtesy car cover for theft when she took out her policy.

Miss K later withdrew her claim. But Admiral told her that her NCB would be reduced, and a fault recorded. I can understand that Miss K feels this is unfair as she wasn't to blame. But the "fault" doesn't mean Miss K was to blame, but that Admiral had incurred costs in investigating the claim which it hadn't recovered. I think Admiral reasonably offered to remove this marker if Miss K reimbursed its outlay.

Miss K lately told us that her NCB had been unaffected, and she showed us her NCB proof provided by Admiral at the cancellation date. But this is in contradiction to what Admiral has told Miss K and us, so I don't understand why this has been changed.

Admiral agreed that Miss K had to contact it for updates and was kept on hold for long periods. It offered Miss K £50 compensation for this. I think that's in keeping with our published guidance for the level of impact this caused. And so I think that's fair and reasonable. I don't require Admiral to do anything further.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

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

Phillip Berechree
Ombudsman