

## **The complaint**

Mr M complains about how Admiral Insurance (Gibraltar) Limited (“Admiral”) settled a claim under his motor insurance policy.

## **What happened**

Mr M had a motor insurance policy with Admiral covering his car.

He was involved in a collision with a third-party vehicle. The third party admitted liability. Mr M contacted Admiral and made a claim.

Admiral wasn’t sure if his car would be beyond economical repair or if it could be repaired. But initially it thought Mr M’s car would be written off and it didn’t give him a courtesy car.

His car was taken to Admiral’s repairer and declared a write-off. Admiral agreed a settlement figure with Mr M of £10,675 and sent him the money.

Mr M bought a replacement vehicle at price of £11,669. Some other costs were incurred in buying the new car.

Admiral then told Mr M his car had been repaired.

Some time later, Admiral asked Mr M where ‘his’ car was in a manner he found quite aggressive. This was a mistake, as Admiral’s repairer had the car all along.

Mr M wasn’t happy with several aspects of the claim and he complained.

Admiral upheld most of his complaints and paid him £400 plus £30 for loss of use of a car. But it didn’t respond to Mr M’s complaint about his financial losses, which was the difference between what he’d been paid for his ‘old’ car and what he’d paid for the replacement.

Mr M brought his complaint to this service. Our investigator looked into it and thought his complaint would be upheld. He thought Admiral should pay Mr M £994 plus interest at 8% simple in respect of the difference in value to the car he’d bought.

Mr M accepted the view, but Admiral didn’t. It said it didn’t think it should pay the extra amount because its policy said it would pay the market value of the car, and the £10,675 it settled Mr M’s claim for, was fair.

Because Admiral didn’t agree, this complaint has been passed to me to make a final decision.

## **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’m upholding Mr M’s complaint and I’ll explain why.

Mr M has already accepted Admiral's offer of compensation and loss of use, so I'll not consider this further.

There has been significant post-view correspondence between this service and Admiral about the difference in value Admiral paid Mr M and what he paid for the replacement car.

But, ultimately, Admiral made a significant series of mistakes in dealing with Mr M's claim. It has apologised for its poor service and provided Mr M with compensation which he's accepted.

Admiral's repeated mistakes led directly to Mr M buying the replacement car. He's explained to this service that having a car was critical to his work and I can see from the file that finding a close replacement was difficult and needed to involve his family to get it for him.

So I think it's important I say that I think Mr M has acted reasonably throughout his claim, whereas Admiral's service has let him down several times and meant he's had to pay an extra £994 for his replacement car. Admiral's refusal to pay this amount leads, I think, to an unfair outcome for Mr M.

The fair solution in this case is to require Admiral to pay Mr M the difference in values, plus interest at 8% simple.

### **My final decision**

For the reasons set out above, my final decision is that I uphold this complaint

Admiral Insurance (Gibraltar) Limited should pay Mr M £994 plus interest at 8% simple from the date it settled his claim to the date this payment is made.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 March 2024.

Richard Sowden  
**Ombudsman**