

The complaint

Mr F has complained about the way a claim he made under his car insurance policy was handled.

What happened

Mr F bought a car insurance policy with Admiral in April 2022. About two weeks later he made a claim for damage. He said his car had stopped working and a roadside agent had told him the battery was damaged by liquid or water.

Admiral investigated the claim. Mr F raised a complaint with Admiral which it replied to in February 2023. This has been dealt with separately by this service. By way of background, Mr F complained about the way Admiral investigated the claim, how long it took, and its decision to reject his claim citing its fraud exclusion.

Admiral advised it was continuing to investigate the claim.

In March 2023 Mr F raised new complaints with Admiral. In summary he didn't agree he should pay any storage costs for his car while the claim was being investigated, he believed the Approved Repairer (AR) had breached his personal data and influenced the outcome of a report provided by an Independent Assessor (IA). Mr F remained unhappy with the decision to decline his claim.

In May 2023 Admiral didn't uphold Mr F's complaints. It said it made Mr F aware he was responsible for storage costs in October 2022. It said what was discussed between the AR and Mr F wasn't something it could verify as it was between them. Admiral said it accepts that Mr F told it since the outset of his claim that he didn't know how the damage had occurred – and so it wasn't fair to apply the fraud exclusion. So it said the policy would continue. But the rejection of the claim was correct as no insured event could be shown to have caused the damage Mr F was claiming for.

I issued a provisional decision on 24 January 2024. My provisional findings were:

- *Neither Admiral nor the AR told Mr F there was a risk of him being responsible for storage costs until October 2022 – six months after he made his claim.*
- *As Admiral hasn't applied its fraud exclusion, I don't think it is reasonable for it to look to recover its investigation costs from Mr F.*
- *In its letter to Mr F dated 10 October 2022, it said the total claim costs including storage stood at £450. This was not correct. I've seen a copy invoice from the AR dated 18 October 2022 quoting fees of £7,644 for storage from 27 April 2022 to 11 October 2022.*
- *On 28 October 2022 Admiral agreed to pay the AR's storage costs up to 31 October 2022 and advised Mr F he was responsible for storage costs after this – and responsible for any costs of the car being delivered back to him.*
- *Mr F didn't agree. It isn't fully clear from the file – but it seems on the back of Mr F's*

disagreement, Admiral agreed for a third inspection of his car to take place. What is clear is there was a lack of communication from this point between Admiral, Mr F and the AR in relation to storage costs.

- Between 1 November 2022 and 5th December 2022, Mr F says he was in discussion with the AR about the possibility of it buying his car from him. He says the AR agreed during this period not to charge him storage costs. I can see from messages between the AR and Mr F that he intended to collect his car from the AR on 1 December 2022 as an agreed price between them hadn't been reached. Admiral's notes show that the AR told Admiral Mr F wouldn't agree to release the car to a salvage agent to mitigate further storage costs. The salvage agent told Admiral the AR wouldn't release the car to them until its storage fees were paid.*
- However, on 6 December 2022 Admiral told the AR that it had arranged for a third inspection of Mr F's car – and instructed the AR not to release the vehicle to Mr F.*
- Admiral received a third report at the end of December 2022 and this didn't change the outcome. So its decision to reject the claim still stood.*
- I've seen an email (my copy is undated but is in response to an email dated 7 December 2022) where Admiral said it would update the AR when Mr F's car could be released – but the AR says it didn't receive an update. And Admiral hasn't provided evidence of when it either paid for the storage costs it agreed to pay – or updated the AR as to when it could release the car – or advised Mr F of the situation with storage fees after it agreed for a third inspection in December 2022. In March 2023 the AR submitted an invoice for ongoing storage charges to Mr F for the period 11 October 2022 to 17 March 2023 for £6,594.*
- In March 2023 Mr F raised new complaints with Admiral.*
- In May 2023 Admiral said it advised Mr F in October 2022 that he would be responsible for storage charges. But it's clear there was a stalemate due to a lack of communication once Admiral decided to arrange a third inspection in December 2022 – and I don't think it is therefore fair for Admiral to say Mr F is responsible for storage costs after October 2022 when it was still considering his claim.*
- Once Admiral was aware of the outcome of the third report, I think it was for Admiral to have promptly settled the AR's invoice for storage costs up to this date and given Mr F reasonable notice to arrange collection or delivery of his car. I think seven days would have been reasonable and – giving time to review the third inspection report – this should have taken place around mid-January 2023.*
- Even if Mr F had paid for storage from 1 November 2022, it seems very likely that his car wouldn't have been released until Admiral paid the AR the agreed storage costs from April to 31 October 2022 as it had agreed. It's not clear to me as to why Admiral wasn't proactive in settling the storage costs and providing clear information to all parties about them once it received and reviewed the third engineer report in December 2022.*
- I have listened to the call recording provided by Mr F between Mr F and the salvage agent. In this call, Mr F appears to have asked for a valuation for his car. The salvage agent told Mr F it had already received an enquiry about the car, but not from Mr F's email address. It couldn't provide Mr F with any more details. Mr F believes that the AR made enquiries about the value of his car.*

- *Our Investigator explained that if Mr F believes his data has been breached, he will need to contact the Information Commissioner's Office (ICO), which he did. Mr F says the ICO will not compensate him for the distress and inconvenience caused by a breach of data. He wants this service to consider compensation for the breach.*
- *There isn't sufficient evidence to show me that – even if the AR made enquiries as to the value of Mr F's car – that this request caused Mr F distress and inconvenience which requires him to be compensated for. I cannot tell what losses Mr F incurred as a result of this enquiry – as he made no agreement with the AR about selling his car. And any agreement he may have made would have been a private arrangement – outside of the claim which Admiral had by then rejected. Irrespective of the enquiry, there isn't anything to show me this meant Mr F was prevented from making a decision about what he wanted to do with the car.*
- *I think that Admiral's handling of the claim from the date it decided to arrange a third inspection fell short. I think it should have more clearly explained the next steps to all parties – as it knew storage charges were accruing daily. As it agreed to continue to consider the claim by arranging a further inspection, I don't think it was fair for Mr F to be charged storage fees– without any clear direction from Admiral to either Mr F or the AR.*
- *There are no meaningful updates according to Admiral's notes between December 2022 and March 2023 – and storage charges continued to accrue by the AR.*
- *I agree with Admiral's decision to reject the claim as Mr F hasn't shown an insured event occurred. Admiral initially asked Mr F to obtain an independent estimate to identify the cause of damage – but he wasn't able to find a garage that would help him. So Admiral agreed for an AR to inspect his car. I can't criticize Admiral for doing this. But as three engineers in their professional opinion have found the damage to the battery was caused by the previous incident where the car was declared a write off, it is for Mr F to provide evidence of equal weight which contradicts their findings – and provide this to Admiral to consider.*
- *I don't think Mr F was prevented from arranging for an independent inspection of his car while it was at the AR – even though there was a dispute about storage costs. I appreciate Mr F may disagree with me on this point – in light of the concerns he raised about the AR's misconduct. But I have to be persuaded by the evidence provided. I haven't seen anything to persuade me that the AR influenced the engineers who inspected his car.*
- *But I don't agree with Admiral's response to Mr F's complaint in May 2023 about storage charges – as things changed after October 2022.*
- *And in light of my view on Admiral's lack of communication about storage charges – I don't think it fair or reasonable to charge Mr F for any of them. This is a matter between the AR and Admiral.*
- *When reviewing a claim, I take into account whether a customer did all they could to assist with a claim and to mitigate their costs. The handling of the claim has at times taken longer to deal with due to issues Mr F raised – which Admiral investigated – but didn't uphold. And I can see that Mr F was asked to provide documentary evidence to support his claim, much of which he has not been able to produce. As an example; evidence that he told Admiral at the outset his car was a previous write off,*

of adequate guaranteed repairs he says were carried out by a mechanic after the previous write off, evidence of costs he paid for the car, to a mechanic, any receipts and/or invoices for the works, a dated download log showing the car was charged and therefore running and drivable between the previous write off and his claim, or evidence of a roadside agent's diagnosis of the cause of damage to his car which prompted the claim.

I think Admiral's requests for this information were reasonable and the lack of its availability did contribute to the length of time it took for Admiral to investigate the claim. There were times when Mr F provided inconsistent information: as to how long he had the car before he insured it, and how long he was driving it for.

These things have contributed to the time and complexity of the claim.

- *Mr F says he had use of another vehicle – but he says it cost him more to run as it wasn't an electric car. However, I think it's clear that Mr F did not want his car to be returned to him until December 2022 – and at this stage Admiral agreed to a third inspection. And having done so, from the information available Mr F didn't have a valid claim. So I'm not considering Mr F's claim for loss of use.*
- *I also take into account that Mr F's car was not drivable due to the battery damage – which there isn't evidence to show was caused by an insured event. And so Mr F would have in any event had to pay the costs for an assessment and repairs, if repairs were possible. From the engineer's reports, the existing damage to Mr F's car from the previous write off – despite visible signs of some repairs having been done – was still significant and costly.*
- *Taking everything into account, I think the fairest outcome is for Admiral to meet the costs of storage up until seven days after Mr F accepts my final decision. If Mr F doesn't accept my final decision, or doesn't reply, it is up to Admiral to set out its position on storage costs moving forward.*

Both parties replied to my provisional decision. In summary Admiral asks that I reconsider my intended decision. It says it contacted Mr F in December 2022 and explained that it had been trying to arrange for the salvage agent to collect the car. However Admiral says the AR confirmed Mr F had refused to let it be collected by them on multiple occasions. Admiral says it instructed the salvage agent to collect it a month before, in November 2022. Admiral said it told Mr F that moving the car to the salvage agent would ensure there would be no more storage fees, and his car would not be disposed of, but Mr F refused to allow Admiral to move it to this place of free storage. Admiral says it was for this reason it had to carry out a further inspection.

Mr F has set out his comments in detail, which I've addressed in my findings below.

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.

For ease I've set out my findings under the same titles Mr F used in his response to my provisional decision.

Claim for repair

Mr F says he provided all available documents to Admiral; receipts, invoices, proof of driving and diagnostics. He is concerned that Admiral hasn't provided us with everything he provided.

I have relied on the same set of notes as Mr F has received a redacted copy of when he made a Subject Access request to Admiral.

The data provided by way of screenshots, a word document and video of a screen taken by Mr F did not show dates. In an email to this service dated 11 January 2023 Mr F said that he was unable to obtain a data log from the manufacturer. Mr F provided proof of paying for some parts online and for windscreen repairs. As set out in my provisional decision, there was a considerable amount of reasonably requested information that Mr F said he was unable to provide, both to Admiral and an Investigator who visited Mr F.

Mr F says he didn't know he could arrange an independent inspection while the car was held at the AR. He says this was never mentioned by Admiral, the AR or us. He says he was present for the third inspection. Mr F says the AR didn't have a ramp facility for the IA to properly inspect the car. Mr F says if he knew he could arrange an IA, he would have done so from the beginning.

In an email dated 10 August 2023 our Investigator wrote to Mr F:

"Have you sought the advice of any other agents in terms of getting a review of the car? You can instruct your own independent agent to review the car and provide a report. The general approach of the Financial Ombudsman is to rely on facts, which are normally provided by professionals. If the business is the only one providing us with reports from professionals, it'll be hard for the Financial Ombudsman to make a case against that, if the consumer hasn't provided an independent assessment from a professional themselves."

So I think Mr F was made reasonably aware by this service – before issuing a view and decision – that he could have made arrangements for an independent inspection.

Storage fees –

Mr F accepts my provisional decision on this point.

Claim for damages

Mr F says the AR's alleged engagement with the salvage agent affected the price they offered him for his car. He says online valuations for his car show that it has lost all value from March 2023 to February 2024 at £18,420. Mr F says that as a minimum he should be compensated for the lost value of his car, and to take into account the difference in fuel costs when using an interim car, at a total of £22,351.92.

As I found in my provisional decision, three independent engineers inspected Mr F's car and its condition was described as being in need of substantial repairs from the previous structural damage resulting in the car being written off. The estimated cost for repairs ranged between £17,480.81 and £20,976.97.

In December 2022 the third engineer gave a market value for Mr F's car of £10,065.

Mr F has provided copies of email exchanges between him and the salvage agent. These are dated after Admiral replied to his complaint and relate to a Subject Access request to the salvage agent. This isn't something I can consider within this decision about Mr F's complaint against Admiral, which it replied to in May 2023.

I appreciate that Mr F has provided medical evidence to show he was visiting his GP for help with low mood and depression during May and June 2023.

Mr F maintains that the AR broke the law and he remains unhappy with the way Admiral dealt with his complaint. For these reasons Mr F believes he should be compensated. He says the removal of storage fees isn't enough.

However, the reasons I gave in the last four points of my provisional findings above remain the same as to why I'm not awarding compensation for distress and inconvenience. Mr F had use of another vehicle. From the available evidence, he would have had to have paid for repairs estimated at an average cost of £19,000 in order to use the insured car in question, and to attract a fair market value for it. He hasn't provided evidence of the claimed previous repairs (he has provide evidence of buying some parts).

Mr F says he has gone to look at his car where it is being held and he is very unhappy with the condition of it. This is a new issue which Mr F will need to raise with Admiral. If he remains unhappy with the outcome, he can bring a new complaint to this service.

Admiral says it made attempts to have Mr F's car moved from the AR to a salvage agent, but Mr F prevented this from happening sooner. So it doesn't think it is fair for it to pay for ongoing storage costs. But as set out under my provisional decision, their notes show the salvage agent said the AR wouldn't release Mr F's car to them until the storage fees were paid. And I haven't seen anything to show Admiral attempted to settle the AR's storage fees to allow Mr F's car to be released sooner.

So, having considered the responses from both parties, my final decision remains the same as my provisional decision.

My final decision

My final decision is that I uphold this complaint in part. I require Admiral Insurance Company (Gibraltar) Limited to meet the costs of storage charged by the AR up to seven days from the date Mr F accepts my final decision. Admiral should liaise with the AR to ensure Mr F's car is available for release to him.

After that date, Mr F is responsible for any ongoing charges including any collection or delivery costs.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 25 March 2024.

Geraldine Newbold
Ombudsman