

The complaint

Mr B complains that Admiral Insurance (Gibraltar) Limited mishandled his claim on a motor insurance policy.

What happened

The subject matter of the claim and the complaint is an electric car, made by a premium-brand car-maker and first registered in December 2021.

For the year from December 2022, Mr B insured the car on a comprehensive Admiral policy.

Unfortunately, in late February 2023, malicious people damaged the car. Admiral arranged repairs.

In about May 2023, the repairer said it had completed the repairs. Mr B complained to Admiral about the quality of repairs. Admiral sent the car back to the same repairer.

In mid-June 2023, the repairer returned the car to Mr B. He complained to Admiral that the repairer had made the car even worse. He said that the repairer was responsible for poor paintwork and for mis-assembling the passenger door so that the handle fell off.

Admiral got an assessor to inspect the car. Their report identified unsatisfactory work. The report said that the car wasn't roadworthy because the door handle was adrift.

Admiral asked Mr B to get a quote for the repairs. Mr B approached a repairer who, in late July 2023, quoted £9,196.13 to put the car right.

Admiral disagreed with the figure and offered to pay £5,670.41 in lieu of further repair. Mr B declined that offer, saying he wanted Admiral to put his car right. Admiral said that it didn't have any other repairers in his area to do the work.

In August 2023, Mr B told Admiral that he was getting a new car.

By a final response dated 17 August 2023, Admiral said it was sending Mr B a cheque for the £5,695.41 plus £25.00 compensation for delay in making its offer. Admiral asked Mr B to obtain a second quote.

Mr B brought his complaint to us in mid-September 2023. He asked us to direct Admiral to compensate him for the lack of a vehicle since 14 June 2023 and for the stress caused.

At the investigator's request, Mr B approached another repairer who quoted £9,277.75 to put the car right.

our investigator's opinion

Our investigator at first recommended that the complaint should be upheld in part. He didn't think that Admiral's payment of £5,670.41 was fair, as Admiral never offered to arrange the

repairs. He recommended that Admiral should pay Mr B an additional £3,525.72 to match the lowest of the two quotes for the cost of repairs (£9,196.13).

Mr B and Admiral each provided further information. The investigator changed his opinion. He no longer recommended that the complaint should be upheld. He didn't think that the settlement offer was unreasonable.

Mr B disagreed with the investigator's second opinion. He asked for an ombudsman to review the complaint. Mr B provided further information, some of which is summarised later in this decision.

The investigator changed his opinion again. He recommended that the complaint should be upheld in part. He thought that it was Admiral's responsibility to put the car back into the condition it was in prior to the incident and subsequent claim. He thought that Mr B had understandably been left frustrated with his car left on his driveway unusable for a long period of time.

The investigator recommended that Admiral should:

1. arrange the repairs to put the car back into pre-loss condition or pay an additional £3,525.72 to cover the quoted repair costs; and
2. pay Mr B, in addition to the £675.00 already paid, an additional £250.00 compensation for the distress and inconvenience caused.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr B and to Admiral on 10 June 2024. I summarise my findings:

The repairer's first attempt in May 2023 upset Mr B. And the repairer's second attempt in June 2023 upset him even more.

Mr B wasn't without transport. And I'd seen no reason why he didn't get the door handle fixed to make his car fit to drive, albeit in unsatisfactory condition.

Subject to any further information either from Mr B or from Admiral, my provisional decision was that I upheld this complaint in part. I intended to direct Admiral Insurance (Gibraltar) Limited to pay Mr B:

1. in addition to its payment of £5,695.41 – a further £3,525.72 in lieu of rectification work; and
2. in addition to its previous payments, a further £250.00 for distress and inconvenience.

Mr B hasn't responded to the provisional decision.

Admiral responded to the provisional decision as follows:

"...we have nothing further to add other than what we have already stated about this case has had heavy expert evidence supporting this throughout, which states they are unreasonable costs."

I see no reason to change my view.

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's policy terms included the following:

"What we will pay

We will decide how to settle your claim and will either pay:

- *to repair your vehicle*
- *a cash sum to replace the damaged vehicle.*

If we give you a cash sum, the most we will pay is the market value of the vehicle.

Should we deem your vehicle repairable but are unable to complete or guarantee the repairs, we will offer you a cash sum to cover reasonable costs of parts and labour."

The last sentence contemplated that Admiral might pay cash in lieu of repairs. However, in Mr B's case, Admiral opted for repairs but caused further issues. So I don't consider that the policy term quoted above applied.

Admiral's policy terms also included the following:

"5. Damage Repair Process (within territorial limits)

...

All repairs carried out by our approved repairers are guaranteed for as long as you own the vehicle. Any parts used during the repair are covered under the manufacturer's guarantee. In the unlikely event the repairs are considered unsatisfactory, the approved repairer will have the option to rectify their work. Should the repairs still be considered unsatisfactory, you may use another repairer providing we agree for the work to be carried out."

The last sentence contemplated that if Admiral's repairer did unsatisfactory repairs after two attempts, then Mr B could use another repairer provided that Admiral agreed for the work to be carried out.

After Admiral's repairer's second attempt, both Mr B and Admiral still considered the repairs were unsatisfactory. I don't condone that. From one of Mr B's emails, I accept that one of many issues was a scratch on the roof.

I will come back to the issue of compensation for distress and inconvenience. I accept that Mr B couldn't drive his car because of the issue with the passenger door handle.

However, he had been using his van and I'm not persuaded that anything had changed in relation to his ability to use his van.

Mr B got his first estimate from another repairer – for £9,196.13. That referred to repainting the complete vehicle, so it didn't list any panels or mention the roof specifically. Admiral's position was that it didn't disagree with the work but it disagreed with the rates for the work.

I've seen that the assessor estimated repair costs at £5,670.41 and suggested a "reserve" of £5,175.00. A "reserve" is an insurer's estimate of exposure. I don't accept that the reserve of £5,175.00 related to unforeseen costs. I consider that Mr B is mistaken in believing that Admiral should've added the two figures together to get a total of £10,845.41.

In addition to the use of his van, Mr B also had Admiral's payment for £5,695.41 from August 2023. So I see no reason why he didn't get the door handle fixed to make his car fit to drive, albeit in unsatisfactory condition.

For these reasons, I don't find it fair and reasonable to direct Admiral to pay any compensation for loss of use of his vehicle or for loss of use of a like-for-like vehicle. However, I've said that I will come back to the issue of compensation for distress and inconvenience.

Mr B got his second estimate from a second repairer – for £9,277.75 . That included a new roof panel. However, the second estimate was broadly in line with the first estimate.

Putting things right

I've thought about what's fair and reasonable to direct Admiral to do to try to put things right.

I saw two issues with the investigator's recommendation that Admiral should either rectify the car or pay an additional £3,525.72. The first is that it wouldn't be fair for Admiral to have paid its cheque for £5,695.41 and still have to pay the whole cost of rectification. The second issue is whether it's fair for Admiral – or for Mr B – to have the choice between rectification or payment in lieu.

I accept Mr B's view that Admiral should've rectified his car already. However, I also keep in mind that he asked Admiral if it would buy the car from him. And I know of no reason why he couldn't sell the car himself either before or after rectification.

So I find it fair and reasonable to direct Admiral to pay Mr B – in addition to its payment of £5,695.41 – a further £3,525.72 in lieu of rectification work.

As Mr B hasn't paid out for rectification work, I don't find it fair and reasonable to direct Admiral to pay interest on that amount.

I've thought about Admiral's unsatisfactory repair and its impact on Mr B. I accept that the repairer's first attempt in May 2023 upset Mr B. And the repairer's second attempt in June 2023 upset him even more.

However, he wasn't without transport. And I've seen no reason why he didn't get the door handle fixed to make his car fit to drive, albeit in unsatisfactory condition.

Admiral and the investigator each said that Admiral had paid £675.00 compensation. Mr B didn't disagree. His complaint form told us that Admiral paid nominal compensation after the first attempted repair. I find it likely that Admiral paid £650.00. It paid a further £25.00 with the final response in August 2023.

I find it fair and reasonable to direct Admiral to pay Mr B a further £250.00 for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Admiral Insurance (Gibraltar) Limited to pay Mr B:

1. in addition to its payment of £5,695.41 – a further £3,525.72 in lieu of rectification work; and

2. in addition to its previous payments, a further £250.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 23 July 2024.

Christopher Gilbert

Ombudsman