

The complaint

Mr G is unhappy with the delays in his vehicle being repaired under his motor insurance policy with Admiral Insurance (Gibraltar) Limited (Admiral).

What happened

In March 2023 Mr G's vehicle was unfortunately stolen. It was recovered by the police and Mr G reported a claim to Admiral in April 2023. In June 2023 the repairs to Mr G's vehicle were authorised by Admiral, however it didn't offer a courtesy car as the repairer wasn't one of its approved repairers. Mr G told Admiral the repairer were asking for the cost of parts to be paid up front before it would order them. Admiral agreed to pay cash in lieu of repairs so Mr G could pay for the repairs himself.

In January 2024 Mr G raised a complaint with Admiral as the repairs to his vehicle still hadn't been completed. He said he wasn't happy Admiral hadn't offered to chase the repairer on his behalf. Mr G also said it took Admiral three months before it progressed his claim and he had been sent a form by mistake which had caused him concern about the investigation Admiral were carrying out. He was also unhappy he hadn't been offered a courtesy car whilst his vehicle was being repaired.

Admiral considered Mr G's complaint and upheld it in part. Admiral said it needed to validate Mr G's claim and so didn't think it had caused an unreasonable delay. It didn't think it was responsible for the length of time repairs were taking. It said it authorised the repairs to the repairer and later a cash in lieu of repairs was agreed. It didn't think it had caused a delay and delays had been caused by the repairer. Admiral said Mr G wasn't entitled to a courtesy car as the policy terms only entitled Mr G to a courtesy car if he was using one of its approved repairers. Admiral acknowledged some handlers had failed to explain the reason behind some delays and Mr G had been sent an incorrect form. It offered £125 compensation for the distress and inconvenience caused. Mr G didn't think this was reasonable and so referred his complaint to this Service.

Our investigator didn't uphold Mr G's complaint. He said he thought Mr G chose to use an unapproved repairer for his vehicle repairs. He said he thought the terms of Mr G's policy meant Mr G wasn't entitled to a courtesy car unless he used an approved repairer. He said he felt the £125 compensation Admiral had offered for delays was reasonable and there were delays caused by the repairer which were outside of Admiral's control. Our investigator said he thought it was reasonable for Admiral to pay Mr G cash in lieu of repairs given the repairer was asking for the cost of parts to be paid in advance of repairs.

Mr G didn't agree with our investigator. He said he had no choice but to use an unapproved repairer as Admiral weren't able to confirm repairs by one of its approved repairers wouldn't have invalidated the warranty on his vehicle. He said had Admiral confirmed his warranty wouldn't be impacted he would have been provided a courtesy car whilst his vehicle was repaired. He also said he thinks Admiral would have written off his vehicle given the length of time repairs were taking.

As Mr G didn't agree with our investigator, the complaint has been passed to me to decide.

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 want to acknowledge I have summarised Mr G's complaint in less detail than he's presented it. I've not commented on every point he has raised. Instead I have focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy by this, but it simply reflects the informal nature of this service. I assure Mr G and Admiral I've read and considered everything that's been provided.

Mr G has said it took three months before Admiral progressed his claim. Admiral have said it needed to validate Mr G's claim given the circumstances. Given the circumstances of the claim I think it was reasonable for Admiral to carry out the investigation it did which meant it took longer than usual for the claim to be progressed. Whilst I can't say it was unreasonable for Admiral to carry out the investigations it did, I think the process of validating Mr G's claim did still take longer than I would have expected and I haven't seen any reasonable explanation for this delay. This delay would have caused Mr G distress and inconvenience given he was looking to have his vehicle repaired and was calling Admiral to request updates.

During the validation process Mr G was incorrectly sent correspondence which he has said caused him concern given the nature of this. Admiral have accepted this was sent to Mr G in error. I haven't seen a copy of this correspondence but I have found no reason to disbelieve Mr G when he describes the impact this had on him. I've taken this into consideration when deciding reasonable compensation for distress and inconvenience.

Admiral have said Mr G was using an unapproved repairer which meant he wasn't entitled to a courtesy car under the terms of the policy. It said delays were caused by this repairer which are outside of its control. Mr G has said he had no choice but to use this repairer as Admiral were unable to confirm repairs by its approved repairers wouldn't invalidate the warranty he held for his vehicle.

I don't think it was Admiral's responsibility to tell Mr G whether repairs by its approved repairer would invalidate the warranty Mr G held for his vehicle. The policy Mr G holds with Admiral provides cover for repairs to accidental damage, and explains the repairs carried out by its approved repairer will be guaranteed. However it doesn't guarantee repairs by its approved repairer wouldn't impact any existing warranty. The warranty Mr G held wasn't with Admiral and so Admiral wouldn't know what the terms of Mr G's warranty were to be able to say repairs by its approved repairer wouldn't impact it. I think the responsibility would fall on Mr G to confirm with his warranty provider what would and wouldn't invalidate his warranty.

Mr G has said he asked Admiral whether it could confirm to him repairs by its approved repairer wouldn't invalidate Mr G's warranty but it didn't respond to this. I've listened to the calls Mr G had with Admiral prior to it offering a cash in lieu of repairs and I didn't hear Mr G ask this question. When Mr G reported his claim he said his vehicle was currently at a repairer as it was under warranty, but at this stage he wasn't sure whether he was going to claim given the high excess on his policy.

During further calls with Admiral Mr G said the repairer he was using doesn't usually do insurance work, but nowhere else other than this repairer could repair his car. He said there was nowhere else who would fix his vehicle under the warranty with the right parts. I think given what Mr G had said, Mr G wouldn't have felt confident to use another repairer. And whilst I completely understand why Mr G felt he had no choice but to use the repairer he did as he didn't want to invalidate his warranty. I can't say this was due to an error by Admiral.

The terms of Mr G's policy explain a courtesy car won't be provided if repairs are carried out by an unapproved repairer. Therefore I don't think it was unreasonable Admiral didn't offer Mr G a courtesy car.

Based on the evidence provided I don't think it was unreasonable for Admiral to pay Mr G cash in lieu of repairs. Admiral authorised the repairs to Mr G's repairer but the repairer were asking Mr G to pay for the parts before it would order them. Usually repairers will complete repairs and invoice the insurer directly for payment but the repairer weren't happy to do so on this occasion. I think it was reasonable for Admiral to pay Mr G cash in lieu of repairs as this would allow him to pay the repairer up front for parts and begin the repairs to his vehicle.

I know this caused Mr G inconvenience as he was having to speak to both Admiral and the repairer to resolve this issue, but I can't say this was the fault of Admiral. The repairer hadn't told Admiral it wouldn't carry out repairs until parts had been paid for and so Admiral were unaware of any issue until Mr G contacted it. I think it was reasonable for Admiral to authorise the repairs in the way it had done, and once Mr G made it aware of the issue it sought an alternative solution in the form of a cash in lieu, and I think this was done in reasonable time.

Mr G is unhappy the repairs to his vehicle still haven't been completed and Admiral haven't offered to chase the repairer on his behalf. Admiral don't hold a relationship with the repairer Mr G is using and so I wouldn't expect it to have chased the repairer on Mr G's behalf. It also has no control over the repairs or the length of time they take. Whilst I empathise with Mr G given how long it is taking for his vehicle to be repaired, this is outside of Admiral's control. I know Mr G has asked for Admiral to treat his vehicle as a total loss, but given Admiral have paid cash in lieu of repairs, and the repairs are being carried out by a repairer it hasn't got a relationship with, I can't say it would be fair to expect Admiral to do this.

I think there have been some delays in Mr G's claim and he suffered the inconvenience of having to chase Admiral for updates during this period. And I know he was caused distress when he incorrectly received a letter meant for Admiral, however I think overall the £125 compensation Admiral have offered is reasonable to acknowledge this. The long delay in Mr G's vehicle being repaired is outside of Admiral's control, and even had Admiral not caused delays it wouldn't have meant Mr G's vehicle would have been repaired by now. I know this will be disappointing for Mr G, and I naturally empathise with him given his vehicle was damaged through no fault of his own, and still hasn't been repaired. However I think the compensation Admiral have offered is reasonable and so I won't be asking it to do anything further.

My final decision

For the reasons I've outlined above, I don't uphold Mr G's complaint about Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 9 December 2024.

Andrew Clarke
Ombudsman