

The complaint

Mr S has complained about the way Admiral Insurance (Gibraltar) Limited dealt with a claim under his Van Insurance Policy.

What happened

Mr J's van was damaged in November 2022 and he put in a claim under his policy. His van was eventually returned to him repaired at the end of April 2023. He's said this was due to delays by Admiral and that it meant he had to pay towards the hire of a suitable replacement van for a long period. He's also suggested he lost business because of the delays. He's also said the poor handling of the claim by Admiral caused him a great deal of unnecessary distress and inconvenience.

Mr S complained to Admiral. It apologised for some of the delays and paid him £150 in compensation for distress and inconvenience. Mr S wasn't happy and asked us to consider his complaint.

Our investigator said Admiral should cover some of the costs to Mr J of hiring a suitable replacement van and for the loss of business. She also thought Admiral should pay Mr J a further £350 in compensation for distress and inconvenience.

I issued a provisional decision on 12 August 2024 in which I set out what I'd provisionally decided and why as follows:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Under insurance industry rules and guidance, Admiral needed to handle Mr M's claim promptly and fairly. From what I've seen, I don't think it did this, as I'll explain.

It is very difficult to work out exactly what happened with regards to Mr S's claim from the evidence provided by Admiral. It has not provided a clear timeline or copies of the engineer's reports etc on the damage to Mr S's van. However, I consider it fair to conclude that Admiral should have approved the repairs to Mr S's van and that it should have been back with Mr S

repaired by the end of 2022. I say this because Mr S made his claim in mid-November; and, whether Admiral used its repair network or not to carry out the repairs, I can't see any reason why it couldn't have assessed the vehicle properly and approved the repair within a couple of weeks. It then seems reasonable to say the repairs could have been carried out and the van back in use by the end of the year. Admiral's agents do seem to have made errors in their assessment of the damage and declared the van a total loss incorrectly. Admiral also seems to have caused numerous delays due to inefficiency and poor communication. Under the terms of his policy Mr S was only entitled to a small car type van as a replacement while his van was in for repair. So, Admiral only needed to provide this type of vehicle up until the repairs to his van were completed. But, as the repairs should have been completed by the end of the year, I think it is fair for Admiral to cover the extra Mr S paid after this for a like for like replacement van. I say this because he should have had his van back repaired

by this point and wouldn't have had to pay this extra amount if Admiral had handled the claim properly and he had received his van back to use.

Mr S has provided an invoice for the extra cost he incurred for a like for like vehicle from the end of 2022 to when he had his van back repaired of £3,320.17, which seems reasonable to me. So I think Admiral should reimburse this amount. It can however deduct VAT if Mr S is VAT registered. I've asked our investigator to send a copy of this invoice to Admiral. I also think Admiral should pay interest on this amount to compensate Mr S for being without these funds.

While I appreciate Mr S lost business due to not having a suitable van during November and December 2022, I do not consider it would be fair for me to make Admiral cover his loss of earnings in this period. I say this because it is in the period I would have expected Admiral to use to investigate and settle his claim and this means he'd have always had to organise his own suitable replacement vehicle in this period. I say this because Mr S's policy did not entitle him to a like for like replacement van. I appreciate he hired other vehicles and one of these meant he couldn't carry out some jobs, but this wasn't due to anything Admiral did wrong.

I do however think Admiral's poor handling caused Mr S significant distress and inconvenience. And I think this warrants a higher compensation payment than our investigator suggested. This is because it took four months longer for Admiral to settle Mr S's claim than it should have done. He also had to chase Admiral on numerous occasions, was provided with conflicting information and faced very poor communication. So I think an overall payment of £750 is appropriate, which means Admiral will need to pay Mr S a further £600.

My provisional decision

For the reasons set out above, I've provisionally decided to uphold Mr S's complaint and make Admiral Insurance (Gibraltar) Limited do the following:

- *Reimburse the £3,320.17 Mr S spent on upgrading his hire van – less VAT if Mr S is VAT registered. Admiral should also pay interest on this amount at 8% per annum simple from the date Mr S paid the invoice to the date of payment.*
- *Pay him a further £600 in compensation for distress and inconvenience.*

I gave both parties until 26 August 2024 to provide further comments and evidence in response to my provisional decision.

Admiral has said it has no further comments or evidence to provide. Mr S has said he is happy with my provisional decision and that he is VAT registered.

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.

As neither party has provided any further comments or evidence in response to my provisional decision, I see no reason to reach a different decision on the fair and reasonable outcome to Mr S complaint to the one I set out in my provisional decision.

Putting things right

For the reasons set out in my provisional decision dated 12 August 2024, I have decided to uphold Mr S's complaint and make Admiral do the following:

- Reimburse the £3,320.17 Mr S spent on upgrading his hire van – less VAT. Admiral should also pay interest on this amount at 8% per annum simple from the date Mr S paid the invoice to the date of payment.
- Pay Mr S a further £600 in compensation for distress and inconvenience.

My final decision

I uphold Mr S's complaint about Admiral Insurance (Gibraltar) Limited and order it to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 17 September 2024.

Robert Short
Ombudsman