

## **The complaint**

Mr H and Ms R complain about Admiral Insurance (Gibraltar) Limited (“AIL”) and the service they received after they made a claim on their home insurance policy.

Mr H has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made, by either Mr H or Ms R as if they were made by Mr H throughout the decision where appropriate.

## **What happened**

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, Mr H and Ms R held a home insurance policy, underwritten by AIL, when there was a fire at their property. So, they contacted AIL to make a claim.

AIL accepted the claim, instructing a loss adjustor and contractors to manage and complete the repairs required. As Admiral instructed the loss adjustor and the contractors, they ultimately remain responsible for the service provided by them. But Mr H was unhappy with the service he received during the claim, and he raised several complaints about this. The most recent of these complaints was raised by Mr H in July 2023, following the completion of the claim.

AIL responded to this complaint in August 2023, upholding it in part. They set out why some of the complaint points Mr H had raised had already been addressed in previous complaint responses and so, hadn’t been considered further. But for the complaint issues they did consider, they agreed they had acted unfairly in all. And to recognise the distress and inconvenience this caused Mr H, they offered a total compensatory payment of £400. Mr H remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and upheld it. They separated any issues addressed in previous complaint responses issued before August 2023, explaining why these wouldn’t be considered under this complaint reference. But for the points that they could consider, our investigator noted AIL had already accepted they had acted unfairly for each issue. So, they didn’t comment on the merits of these in depth. Instead, they focused on what AIL had offered to compensate Mr H and Ms R. And they didn’t think the £400 was enough, setting out why. So, they recommended this payment be increased to £800. Mr H didn’t agree, providing several comments setting out why. These included, and are not limited to, his belief that the service AIL provided, and the impact this caused him and his family, warranted compensation at a significantly higher amount than our investigator recommended.

Our investigator considered Mr H’s points, but their view remained unchanged. Mr H continued to disagree and so, the complaint has been passed to me for a 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.

Having done so, I'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached this decision, I think it's important for me to set out exactly what I've been able to consider, and how. My decision will focus solely on the complaint issues addressed in AIL's complaint response in August 2023, that hadn't already been responded to in a previous complaint response by AIL.

I'm aware our service has already explained why the issues addressed in AIL's complaint response issued in January 2023 falls outside of our jurisdiction to consider under a separate internal reference. As this has been handled under a separate reference, I won't be commenting on this in any further detail. But to clarify, any complaint issues AIL addressed in that January 2023 response haven't been considered within this decision.

I also recognise a second complaint response was issued between January and August 2023, which addressed Mr H's concerns about the alternative accommodation and the service received surrounding that policy benefit. To date, our service hasn't been provided with this complaint response. If Mr H can provide this to our service, or consent for us to request this from AIL, these issues will be considered and handled separately, under a new reference separate to this one.

So, to clarify again, this decision focuses solely on the complaint issues raised and addressed solely within AIL's complaint response issued in August 2023. So, I have considered Mr H's concerns about the initial delays at the start of the claim process, delays in the installation of his windows and reimbursement for his rear window, damage to his rendering, the information and delays surrounding the kitchen materials, misinformation about being underinsured, the wrong door being fitted and finally, the delays in settling his contents claim overall.

And I note AIL have upheld all of these complaint points in their final response. So, I think it's reasonable for me to assume AIL have accepted they've acted unfairly for all these issues and that the merits of these complaints no longer remain in dispute. So, I don't intend to comment on the merits of these complaints in any further detail. Instead, I've turned to what I think does remain in dispute, which is what AIL should do to put things right.

### **Putting things right**

When thinking about what AIL should do to put things right any award or direction I make is intended to place Mr H and Ms R back in the position they would've been in, had AIL acted fairly in the first place. In this situation, the claim has been settled and so, I don't think any of AIL's actions are able to be reversed.

So, I've thought about the distress and inconvenience caused to Mr H and Ms R by the actions AIL took, to decide what I think a fair compensatory payment would be to adequately reflect this.

I note our investigator recommended AIL increase their initial compensatory offer to £800. And I recognise Mr H disputed this amount and I want to reassure him I've considered all the reasons he's put forward explaining why. But having considered this recommendation, I think it's a fair one that falls in line with our service's approach and what I would've awarded, had it not already been put forward. And I'll explain why.

I think the increase in total compensation to £800 fairly addresses the fact that AIL's actions created delays during the claim process. From what I've seen, I think it's clear AIL could've been more proactive at the start of the claim process, and that there were times where no work on the house was being completed due to delays in the windows being ordered and received. And I don't doubt the frustration and inconvenience this would've caused Mr H and Ms R, especially considering some of the delays occurred around Christmas.

But I do think this payment also fairly reflects the fact Mr H and Ms R were in alternative accommodation at the time, paid for by AIL as a benefit of the policy they held. As explained earlier within this decision, any issues about this alternative accommodation or the service provided around it will need to be handled separately and it hasn't impacted my decision here.

I also note there were issues caused by AIL relating to the rendering of Mr H's home, and the door that was fitted. And I think the increased payment reflects the inconvenience these issues caused, as Mr H had to engage with AIL to rectify them. But I think it also fairly reflects the fact that AIL took Mr H's concerns on board and issued cash settlement payments to ensure Mr H was able to repair this damage, and replace the door, at no cost to himself.

It's also accepted that Mr H was misadvised regarding being underinsured. And I think the payment recognises the short-term worry this caused, while also reflecting the fact that AIL reconsidered their position on this, and that prevented any financial disadvantage to Mr H. The same can be said for the potential increase of kitchen costs and the delay in the rear window reimbursement, where no financial impact was caused and so, I think the increased payment reflects the frustration and inconvenience Mr H experienced.

Finally, I think the increased payment to take the total compensation to £800 fairly reflects the delays through the claim process regarding settlement of Mr H and Ms R's contents claim. AIL accept this claim could've been processed sooner. And from the system notes I've seen, I think this was a continuous conversation where AIL had opportunities to manage Mr H's expectations regarding this process, and the validation checks that were required. And they didn't. So, I do think this needs to be compensated for.

But I think the total payment of £800 also reflects the fact that when AIL did engage with Mr H, they made interim payments where appropriate to ensure he wasn't left financially out of pocket, and he had opportunity to replace contents he needed more urgently. And, that any financial costs Mr H did incur due to the delayed contents claim settlement have all been considered, and reimbursed, from the information I've been able to consider.

So, while I appreciate Mr H is unlikely to agree, I think the increased compensatory amount of £800 is a fair one. And this is a payment I'm now directing AIL to pay.

### **My final decision**

For the reasons outlined above, I uphold Mr H and Ms R's complaint about Admiral Insurance (Gibraltar) Limited and I direct them to take the following action:

- Increase their offer of compensation to Mr H and Ms R from £400 to £800 and pay the total amount required to ensure Mr H and Ms R receive the full £800 total compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Ms R to accept or reject my decision before 14 October 2024.

Josh Haskey  
**Ombudsman**