

The complaint

Mr H is unhappy with the service provided by Admiral Insurance (Gibraltar) Limited (Admiral) after Admiral was informed about an incident Mr H was involved in.

What happened

Mr H contacted Admiral to make a claim following an incident involving his car in April 2023. Mr H was referred to an accident management company, A, to deal with his claim. Mr H's car was deemed a total-loss. Mr H's car remained in storage arranged by A. A told Mr H to collect his car from storage. As this wasn't done, A told Mr H it would pursue him for the storage costs.

Mr H complained to Admiral about the behaviour of A, the way Admiral had dealt with his claim, and several service failings in the process. The facts of the claim are well known to both parties. So I haven't repeated them here. Admiral responded to Mr H's complaint agreeing that the service it had provided had been poor in parts. Admiral offered Mr H £425 in recognition of its poor service and the impact on Mr H.

Unhappy with this response, Mr H referred his complaint to the Financial Ombudsman Service. The investigator found that the service provided by Admiral had been poor at times, but the compensation offered was reasonable in the circumstances. Mr H didn't agree with the investigator's findings saying (amongst other things) that Admiral should reimburse the storage costs totalling £2,000 that he ended up paying for himself. As the complaint couldn't be resolved, it has been passed to me for decision.

I issued a provisional decision on Mr H's complaint. This is what I said about what I'd 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 thank Mr H for taking the time to explain everything that's happened since making a claim. I understand it has been a stressful time for Mr H. I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that's happened or been argued is set out above, I've read and considered everything that has been provided.

Mr H feels strongly that his version of events haven't been given proper consideration when assessing his complaint. When we investigate a complaint about an insurer's decision or actions on a claim, our role is to consider whether the insurer handled the claim in a fair and reasonable manner. And after considering the evidence I'm persuaded that Admiral hasn't. I'll explain why.

Before I address the merits of this complaint, it's first important to set out the parties involved and Admiral's responsibilities, to make clear what I can look at in this decision. Admiral has delegated the claims handling to the A. A was acting in its own capacity when handling Mr H's claim, not on behalf of Admiral. And I don't have jurisdiction to consider the A's actions. So, in relation to Admiral and A, I'm only considering the service provided by Admiral, and whether this meets the required standards.

Mr H has raised several complaints with Admiral since the incident. The crux of this complaint concerns the storage costs Mr H ended up paying for himself. So I've focused my decision on this part of Mr A's complaint.

It's not disputed that Mr H remained unhappy with the pre-accident value (PAV) offered for his car. I've seen that over several months Mr H's car remained in storage organised by A. During this period storage costs continued to be charged on a daily basis. As A remains outside the scope of this decision I'm unable to comment on the communications Mr H had with A about the storage costs and what he was told about who would be responsible.

It was one month after Mr H's car was deemed a total loss that Admiral contacted Mr H to discuss making an interim payment for the PAV of Mr H's car. I've seen that Mr H asked for the PAV to be paid by cheque. This was discussed several times with Mr H but Admiral was unable to make payment by cheque due to system issues. During this time Mr H's car was continuing to attract storage costs. I've carefully considered Admiral's role in the information provided to Mr H, and specifically the impact of not accepting the PAV offered at the time.

I think Admiral could've done more to explain the risk of Mr H keeping his car in storage, and what this would mean for Mr H. Admiral had several conversations with Mr H during the months following the date of the incident. Mr H was in continual contact with Admiral about the PAV being offered for his car. I'm persuaded there was ample opportunity to explain the impact of not accepting an interim payment for the PAV- specifically in respect of storage costs. Admiral's failure to do this amounts to poor service.

During a call in August 2023 that Mr H was provided with misinformation by an Admiral representative about who would be responsible for the storage costs. In a later email sent on 15 September Mr H was informed that he would need to 'contact the garage to arrange storage payment' and that Admiral 'will not be liable for these fees.'

But I don't think the information Admiral gave to Mr H went far enough in explaining the severe consequences of not accepting the PAV, and keeping the car in storage. I'm persuaded that if Mr H had been told about the storage costs at the time that an interim payment was first offered around June 2023, he would've removed his car from storage at the earliest opportunity. In reaching this decision I've considered the timeline of events, the numerous calls Mr H had with Admiral during the time his car was in storage, and the late (and poor) communication in by Admiral in September 2023 about Mr H being responsible for storage costs.

I accept that as Mr H was dealing with A regarding storage of his car, Admiral wasn't primarily responsible for explaining these costs. But as the business responsible for providing Mr H with insurance for his car, and given the numerous contacts with Mr H to discuss his claim, I think there was a responsibility on Admiral to not only explain the importance of accepting an interim payment for the PAV, but also what it would mean for Mr H if he failed to do this, and kept his car in storage.

I have seen from September 2023 onwards Admiral was more direct in discussing its role in the claim, and specifically how it wasn't responsible for the storage costs. But given the timing of this communication, I think it would've come as a shock and disappointment to Mr H that he was being held responsible for the storage costs.

I've seen that the relationship between Admiral and Mr H continued to deteriorate when Mr H was told he would be responsible for the storage costs. In the circumstances, I think it is plausible that Mr H continued to contact Admiral for clarification about the storage costs, and

who would be responsible. It's evident Mr H was confused and disappointed by the service he'd experienced. And in the circumstances, I can see why.

All things considered Admiral failed to properly inform Mr H about the consequences of not accepting the PAV, and specifically what this would mean for the storage costs for his car. Had Admiral provided this information earlier in the claim, when the PAV was first offered, I think it's more likely than not that Mr H would've moved his car out of storage to avoid costs from accruing on a daily basis. So I'm minded to ask Admiral to pay for the storage costs incurred by Mr H plus interest in settlement of Mr H's complaint.

Admiral offered Mr H £425 in recognition of its overall poor service for other complaints including delay and poor communication. In the circumstances I'm satisfied this amount is fair and reasonable and in line with our approach. So I'll be directing Admiral to pay this amount if it hasn't already done so.

Putting things right

I am minded to ask Admiral to:

- 1. Pay Mr H £2,000 for the storage costs Mr H paid himself;*
- 2. Pay interest from the date Mr H paid storage costs to the date of payment to Mr H. The rate of interest is 8% simple interest per year*; and*
- 3. Pay compensation of £425.*

**If Admiral Insurance (Gibraltar) Limited considers that it is required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr H how much it has taken off. It should also give Mr H a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.*

My provisional decision

For the reasons given above, I am minded to ask Admiral to follow my directions for putting things right as detailed above.

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 invited both Mr H and Admiral to respond to my provisional decision. Admiral didn't provide any further comments. I've focused my decision on what I think is relevant. If I haven't commented on any specific point, it's not intended as any discourtesy to Mr H, but rather because I don't believe it has affected what I think is the right outcome.

I've carefully considered Mr H's comments. And it's clear that he remains dissatisfied with Admiral's handling of his claim. Mr H says he paid £140 to tow his car home in addition to the storage costs. I haven't seen evidence of Mr H asking Admiral to make this payment, or this cost being paid for by Mr H. So at this time I won't be including this cost in my direction to Admiral for putting things right. However if Mr H can provide evidence of this cost to Admiral, I think it's reasonable for Admiral to consider this cost given all that's happened on Mr H's claim, and my direction for putting things right. Should Mr H remain dissatisfied with Admiral's response to this, this will be the subject of a new complaint.

Mr H says since referring his complaint to this Service he has continued to experience challenges with Admiral not responding to outstanding issues. Mr H has asked for a dedicated claims handler to speak to. It's not the role of this Service to ask a business how to manage a claim, but we can ask for a business to comply with any reasonable request. Whilst it may not be possible in practice for a single claims handler to deal with any future correspondence from Mr H, it would be helpful if Admiral ensures all future communication from Mr H is responded to, and dealt with, in a timely way. This will help prevent future issues from escalating to a complaint.

Lastly Mr H has asked for payment to be made by cheque when complying with the directions of this final decision. Admiral should take note of this request.

Neither party has provided anything that materially changes the outcome of Mr H's complaint, or my direction for putting things right. So I'll be directing Admiral to put things right as set out in my provisional decision.

Putting things right

Admiral is directed to:

1. Pay Mr H £2,000 for the storage costs Mr H paid himself;
2. Pay interest from the date Mr H paid storage costs to the date of payment to Mr H. The rate of interest is 8% simple interest per year*; and
3. Pay compensation of £425.

*If Admiral Insurance (Gibraltar) Limited considers that it is required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr H how much it has taken off. It should also give Mr H a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons provided I uphold this complaint. Admiral must follow my directions for putting things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 22 November 2024.

Neeta Karelia
Ombudsman