

The complaint

Mr Z's representative complains on his behalf that Admiral Insurance (Gibraltar) Limited (Admiral) unfairly failed to fully settle his claim on his motor insurance policy.

References to Mr Z, or his representative, will include the other.

Admiral are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As Admiral have accepted it is accountable for the actions of the intermediary, in my decision, any reference to Admiral includes the actions of the intermediary.

There are several parties and representatives of Admiral involved throughout the complaint but for the purposes of this complaint I'm only going to refer to Admiral.

What happened

Mr Z's car was involved in an incident on 5 December 2023. The car was able to be moved to a safe place nearby and recovery of it, back to Mr Z's home address, was organised by Admiral.

The car was then taken to Admiral's approved engineer. A diagnostic was completed which found a fault with the gearbox. Admiral concluded this was not incident related and the incident related repairs were only to the bodywork. Mr Z's representative disagreed with this.

Mr Z declined to have the body work repairs completed by Admiral's approved repairer. Admiral agreed for this work to be completed by a garage of his choice.

Mr Z organised for the main dealer to complete a full diagnostic on the car. This diagnostic also found gearbox issues. This diagnostic was provided to Admiral, but it maintained its decision that the issue to the gearbox was not incident related. Because Admiral continued to decline to accept the gearbox issue was incident related, in May 2024 Mr Z paid for it to be repaired.

Because Mr Z's representative as not happy with Admiral, she brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said they were persuaded Admiral acted unfairly when refusing to cover the cost of repairs to the car gearbox, as they believe the evidence doesn't conclusively rule out that it was related to the incident. They said Admiral should pay the cost Mr Z paid for the repair to the gearbox plus 8% simple interest. They also said Admiral should increase its offer of compensation to a total of £300.

As Admiral is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

In this case Admiral concluded the issue with the gearbox was not caused by the incident but Mr Z said the fault was not there prior to the incident.

I saw the initial report from Admiral's approved engineer detailed only bodywork repairs were required. This report also recorded "*further damage may be found on dismantling.*"

In January 2024 Admiral's in-house engineer said the gearbox issue couldn't be related to the incident as there was only a low-speed frontal impact. And concluded that this suggested underlying issues had been present.

I also saw Admiral had an independent assessor conduct a desktop assessment in which the engineer's report and the circumstances of the incident were reviewed. The independent assessor agreed with Admiral's in house engineer's findings that the issue with the gearbox was not incident related.

The diagnostic report from the main dealer was undertaken in late January 2024. It records a number of gearbox faults. This was provided to Admiral.

I saw on 18 March 2024 Admiral recorded within its own engineer's report, that it had spoken at length with the main dealer regarding the diagnostic report findings. It said the fault that was recorded prior to the incident would not have caused the car not to drive and all the other gearbox faults stored had no mileage/date stamp on them, so it was impossible to say if they were related to the incident or not. The update said it would not expect the gearbox to be damaged looking at the damage level to the car, but that this was only an opinion. It concluded "*it is not possible to prove if the gearbox was damaged in the incident or not due to the lack of mileage/date stamps when the faults occurred.*"

Because there is no conclusive proof that the damage to the gearbox was not incident related, I uphold Mr Z's complaint and I require Admiral to cover the cost paid to repair it.

Putting things right

I require Admiral to pay a total of £2,712.96 for the repairs completed to the gearbox on his car. Plus 8% simple interest from 16 May 2024, which is the date he paid for this work, to the date it is paid. It should also pay a total of £300 compensation to reflect the distress and inconvenience caused to Mr Z when he spent time organising further diagnostic testing on his car and for the delays caused in progressing this claim.

My final decision

For the reasons I have given I uphold this complaint.

I require Admiral Insurance (Gibraltar) Limited to;

- Pay Mr Z £2,712.96 to cover the cost of the repairs to the gearbox on his car. It should add 8% simple interest from 16 May 2024, to the date it is settled.
- Pay Mr Z £300 compensation, less anything already paid, for the distress and inconvenience caused to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or

reject my decision before 1 January 2025.

Sally-Ann Harding
Ombudsman