

The complaint

Miss T complains about the way Admiral Insurance (Gibraltar) Limited handled a claim she made on her home insurance policy. She says they caused delays in completing works.

All references to Admiral include the actions of the agents acting on their behalf.

What happened

The following is intended only as a summary of events. In May 2023 Miss T made a claim on her home insurance policy after suffering an escape of water. Admiral accepted the claim and Miss T was advised that she and her family would need to move out of the property during the duration of the building works.

Miss T felt the alternative accommodation offered wasn't suitable for her or her family's needs. And as Admiral said the repairs would only take one or two months to complete, she and her family remained in their house.

By early June 2023 Admiral had been out to inspect the damage and advised strip out works were required. Miss T continued to chase Admiral until the strip out works started in late August 2023. Miss T was told it should take about one to two months to complete the work. So, based on this, the works should have been completed by October 2023.

However, there were continued delays, and Admiral paid Miss T a disturbance allowance to account for any additional costs incurred, backdated to August 2023 (when the strip out works started). By November 2023 the stripping out had started, but the builders reported that the reinstatement works couldn't be started due to an outstanding issue. At the end of November 2023, Miss T told Admiral that her son was due to have surgery for respiratory issues and their GP had concerns that the dampness and dust could contribute to his condition worsening. Alternative accommodation wasn't further agreed at this stage and it appears Miss T said they made do with remaining in their home.

By January 2024 the strip out works were still not completed, and Miss T made regular chasers to Admiral requesting updates and Admiral considered further disturbance allowance payments and paid for additional heating and electricity costs Miss T incurred. Around this time, there were also discussions around settling the claim on a cash basis, and Miss T obtained quotes and sent to Admiral for review. Miss T was still chasing updates in March and April 2024 in relation to the quotes.

The cash settlement option ultimately wasn't agreed due to differences in the estimates Miss T's builders provided against what Admiral was prepared to raise for the claim. As Miss T and Admiral couldn't come to an agreement, Admiral proceeded with the remainder of the works needed to complete the claim.

By March 2024, Miss T raised concerns over the delays and general handling of the claim. She made a number of complaints, and Admiral accepted they had caused avoidable delays in the claim process for Miss T claim and there was a general lack of communication. They awarded a total of £475 compensation, which included £100 towards the costs of pest

control. Miss T has also been reimbursed for the other financial losses she incurred such as additional gas and electricity costs. But Miss T remained unhappy with Admiral's response to her complaint – so she brought it to this Service.

An Investigator looked at what happened and recommended that Miss T's complaint should be upheld. She said Admiral had caused delays in dealing with the claim and had caused considerable distress and worry as well as significant inconvenience in Miss T having to chase Admiral for updates over many months. She recommended that Admiral pay an additional £300 compensation – for a total of £775 (including the £100 for pest control costs).

Admiral accepted the Investigator's recommendation, but Miss T disagreed. She didn't think the increased compensation reflected the level of inconvenience she and her family had experienced. And she said while Admiral had already paid compensation, nothing had changed, and she continued to chase Admiral for works to be completed. Miss T asked for an Ombudsman to consider the complaint – so it's been passed to me to decide.

I issued a provisional decision of this complaint on 16 December 2024. I've set out my provisional findings below:

"I'd like to start by reassuring both 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. This isn't meant as a discourtesy – rather it reflects the informal nature of this Service. So, while I may not comment on each and every point made, or piece of evidence provided, I have taken it all into account.

Instead, I've focused on what I consider to be the key issues of the complaint that I need to think about in order to reach a decision which I'm satisfied is fair and reasonable in all the circumstances.

I also need to explain what period I will be considering as part of my decision. I appreciate Miss T has raised several complaints to Admiral during the life of her claim, and they issued final responses in January, February, and March 2024. As such, my decision will deal with the handling of the claim up until March 2024. While I appreciate the claim may still have outstanding issues, if Miss T remains unhappy with Admiral's handling of the claim after March 2024, she would need to make a new complaint.

Admiral accepts that it hasn't handled Miss T's claim as well as it should have done. It's clear that there have been significant delays in the progression of the claim. Admiral accepts they didn't communicate with Miss T as they should have done, and this led to Miss T having to seek regular claim updates.

As such, I don't need to make a finding on whether Admiral acted unfairly here, because they've already confirmed they caused delays. Instead, I need to consider what the impact of those delays were and what steps they've taken to address this.

What was the impact

I do appreciate Miss T has said she feels Admiral need to be held accountable for their actions. But this Service isn't the regulator – and we don't fine or punish a business. Instead, we can award compensation to recognise the impact a business' actions have had on their customer in a particular complaint. When deciding what amount would be fair, I need to consider how Miss T was affected.

An ongoing building claim comes with a certain level of frustration and inconvenience, so I would expect there to be some disruption as part of the normal claims process. However my role is to consider what should have happened and look at any additional and unnecessary inconvenience and distress caused by Admiral's errors or omissions alone.

Looking at the timeline, Admiral originally said the repairs would have been complete within one to two months – so had this happened, with the strip out works starting in August 2023, everything should have been completed by around October 2023. I understand works are largely complete at this stage – however Miss T remains unhappy with how Admiral dealt with the claim and says the impact to her, and her family, was severe.

She's explained that there has been a lot of disruption and a loss of enjoyment of her home for well over a year. I can see Miss T was in regular contact with Admiral throughout and was trying to get updates on progressing the claim. While I can appreciate there was a period of delays caused by a difference in value between Miss T's contractor's quotes and what Admiral were willing to settle the claim for – I think she and her family have been put to a significant, unnecessary amount of trouble and upset as a result of the delays in Admiral's handling of this claim.

Miss T also explained that there was a lot of stress in trying to have costs reimbursed for things like additional heating over the winter months as well as the general inconvenience of having ongoing building works taking so long to complete. And I'm also mindful that Miss T says her son had health concerns during this period which she says were worsened by the conditions of the house in its damaged state – which I was sorry to hear about.

I have no doubt this added to her upset and inconvenience and impacted on her family's day-to-day life. And while I appreciate Miss T has been paid a disturbance allowance during this period, this is a specific payment to cover additional costs during the claim process. My remit is to consider the overall trouble and upset I think she suffered as a result of Admiral's claim delays and communication failings and decide whether I think compensation should be awarded. Having done so, I think compensation is due here.

Putting things right

A compensation award isn't intended to fine or punish a business, it's to recognise the impact a business' actions have had on their customer in a particular complaint. This Service's approach to compensation awards requires me to think about what amount would be fair by taking into account how I consider Miss T was affected.

I've thought about the impact to Miss T and I think Admiral's handling of the claim has caused substantial distress, upset and worry, or serious disruption to daily life over a sustained period, with the impact felt over many months. I've also looked at the overall impact Admiral's actions had on Miss T. Given she was told repairs would only take a few months to complete, I consider that the delays Admiral caused would have caused additional upset and inconvenience for Miss T over and above what I would consider to be normal. The Investigator recommended a further £300 compensation, and I can see Admiral have agreed with the Investigator to pay that additional sum, on top of the compensation already offered.

But I don't think this level of compensation would be sufficient to reflect the impact of their claims handling on Miss T. So, having considered everything that's happened, I'm satisfied a total award of £850 compensation is a fairer and more reasonable sum in all the circumstances to reflect what I consider to be the impact of Admiral's claims handling on Miss T.

I appreciate this may not be the level of compensation Miss T might have hoped for, and it may not ultimately change matters for her, given her larger concerns over the claim itself. But I consider it to be in line with the level of compensation appropriate to these issues, and I'm satisfied this produces a fair and reasonable outcome in this particular complaint.

Admiral Insurance Limited should pay £850 compensation (less the previous £375 already paid). Admiral Insurance should therefore pay an extra £475 compensation, but they shouldn't deduct the £100 sum paid for pest control, as this was for a specific issue raised, and not for general distress and inconvenience."

I invited both parties to respond to my provisional decision with any further information or evidence they wanted me to consider. Both Miss T and Admiral responded and said they agreed with my provisional findings on how to conclude the complaint. And Admiral confirmed they would pay an additional £475 compensation without deducting the £100 paid for pest control.

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, and in the absence of any further information for me to consider, I see no reason to depart from what I said in my provisional decision.

My final decision

For the reasons given above, it's my final decision that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to:

- Pay £850 compensation (less the previous £375 already paid). They shouldn't deduct the £100 sum paid for pest control from this total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 15 January 2025.

Stephen Howard
Ombudsman