

The complaint

Ms C and Mr T have complained about the way their home emergency insurer, Admiral Insurance (Gibraltar) Limited ('Admiral'), dealt with a claim they made on their policy and feel the compensation it offered them was too low.

Admiral is the underwriter of this policy i.e., the insurer. During the claim Ms C and Mr T also dealt with other businesses who act as Admiral's agents. As Admiral has accepted it is accountable for the actions of its agents, in my decision, any reference to Admiral includes the actions of the agents.

We've mainly been liaising with Mr T so, though I'll refer to him in the decision, the comments should be taken as coming from both Ms C and Mr T.

What happened

Ms C and Mr T have home emergency cover as part of their home insurance.

In November 2023 their boiler started leaking and the pressure rose really high, so they made a claim under their home emergency cover with Admiral. Admiral referred the matter to one of its agents who arranged for an engineer to carry out the repairs.

Over the following few days, two engineers attempted to repair the boiler but without success. Ultimately Ms C and Mr T arranged for their own engineer to attend who successfully repaired the boiler.

Mr T was unhappy with the way the matter was handled. His complaint included the fact that at least two engineers left him and his family believing the boiler had been fixed only for that not to be the case. He said there were missed appointments and delays in appointing engineers as well as the fact that he had to call each day for updates. He also wasn't happy that Admiral had told him he had to complain to its agents and said responsibility rested with Admiral.

Admiral considered the complaint about referring the matter to its agent, but it didn't uphold it. It said it was within its terms and conditions that home emergency claims would be handled by another company who would act as its agent.

Admiral later upheld the complaint about its service and accepted that the engineers failed to correctly diagnose the issue and repair the boiler. It also accepted that there were delays between appointments and a failure to communicate with Mr T and keep him updated which led to him having to chase instead. It initially offered £250 compensation which it later increased to £400. It also said it would reimburse Mr T's engineer's invoice in full.

Mr T then brought his complaint to us. He said he didn't feel the £400 compensation was satisfactory bearing in mind the distress and inconvenience he and his family, including his young children, experienced. He said compensation should start from at least £1,000, it being the equivalent of four nights' temporary accommodation that Admiral should have paid. He also didn't think it was right or ethical for Admiral to refer him to its agent. He said the agent had no incentive to give him fair compensation or to adequately deal with his complaint.

One of our investigators reviewed the complaint but didn't think Admiral needed to take any further action. She acknowledged that a £50 payment was initially paid to Mr T as he was mistakenly told there was no cover, and this was in addition to the £400 payment Admiral said it would make later. Our investigator didn't think Admiral acted outside its terms and conditions when it directed the complaint to its agent and also said that it's not our service's role to investigate how a business operates. She also acknowledged that Mr T had been reluctant to accept an offer for alternative accommodation or to use his own engineer initially as he believed the matter would be resolved quickly. Overall, she felt the £400 offer was fair and reasonable and in line with awards we would make in similar circumstances.

Mr T didn't agree and asked for an ombudsman's decision. He said living in a cold and damp house made him and one of his children ill. He also felt Admiral should pay what it would have paid for alternative accommodation and also that the compensation should be increased to take into account the 15 or so wasted hours he spent trying to resolve the matter including making a number of phone calls. Mr T also felt that our award levels were too low and needed to be reviewed. He didn't feel that they adequately compensate consumers for the distress and inconvenience they suffer or deter businesses from systematically offering a bad service.

Our investigator didn't change her view. She said she hadn't seen any evidence in relation to Mr T and his child getting ill as a direct result of what happened. She also said she wouldn't be able to ask Admiral to pay for alternative accommodation as Mr T and his family stayed at the house.

The matter was then passed to me to decide.

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'd like to start by saying that I was very sorry to hear about what happened to Ms C and Mr T and their family. I appreciate how distressing the whole experience must have been for them.

I'd also like to add that as there is no dispute as to the events over those four-five days I haven't gone into a lot of detail about what happened either here or in the section above. And I've also focused on the points I considered to be the most important rather than all the points raised. No discourtesy is intended by this, and I'd like to assure both parties that I have considered all the information available to me in full including the calls I was provided with.

The policy

Ms C and Mr T's policy includes home emergency cover and is provided by one of Admiral's agents. Under home emergency cover there is a limit of £500 per claim.

Under the policy Admiral will also reimburse the cost of repairs if arranged by its customer, subject to certain conditions, up to £500 including VAT. It will, among other things, also contribute up to £250 (including VAT) towards the cost of alternative accommodation.

Referral to the agent

As I said above, home emergency claims are handled by one of Admiral's agents. From what I understand, Admiral would refer the matter to the agents and leave it with them to deal with which would include updating customers, arranging repairs and then billing it for the work involved. I don't think this is a particularly unusual arrangement in insurance. And as it relates to the way Admiral operates its business it wouldn't be something we would look to interfere with.

Mr T was unhappy with the agents' performance and pointed to them having negative reviews. He also felt that Admiral was refusing to take responsibility for their actions. I appreciate that Mr T is concerned about Admiral's choice of subcontractor but that is again a decision for Admiral and not something we would look to interfere with.

I don't think it is unreasonable that Admiral initially asked its agents to review the matter especially as it didn't have access to their file. But I think it is clear within the policy that the underwriter is Admiral which means it would be responsible for the actions of its agents. I also think that, within its correspondence, Admiral said the agent would be responding on its behalf. So I don't think its actions were unfair or unreasonable in this regard. I also note that Mr T was given appropriate referral rights, so he was still able to bring his complaint to us.

The compensation award

Mr T feels that the compensation Admiral offered for its poor service, delays and poor communication doesn't adequately compensate him and his family for the distress and inconvenience they suffered. He says he and one of his children became ill and that he had to spend hours on the phone making arrangements for the matter to be resolved.

I have considered the available evidence including the calls between Mr T and Admiral while the claim was ongoing. I can see that the situation was very frustrating for Mr T who I appreciate was also very concerned for the welfare of his family who were without heating and hot water during a very cold period of the year. Mr T wasn't updated when he was told he would be, he would then chase and wait only to be told it was then too late for someone to go out to his house. And this was in addition to the fact that two engineers attended who said they had repaired the boiler only for Mr T to later realise that that wasn't the case. And I note that the matter wasn't ultimately resolved due to any actions Admiral or its agents took, but because Mr T found an engineer who was able to repair the boiler on the same day.

Admiral said it would pay Ms C and Mr T £400 for the distress and inconvenience they suffered. Mr T said he felt the compensation should start at £1,000 which is what Admiral

would have had to pay for alternative accommodation.

As I mentioned above the policy would have covered up to £250 (including VAT) for temporary accommodation. I think this would have been in total and not per night. So, even if Mr T had claimed for temporary accommodation which he didn't, the maximum Admiral would have paid towards those costs would have been £250 not £1,000. But even if it would have paid £250 per night, I would not have asked it to pay Ms C and Mr T the equivalent amount for the distress and inconvenience they suffered on this occasion because it wouldn't be in line with awards we would make in similar situations.

Taking everything into consideration I think the £400 Admiral said it would pay for the distress and inconvenience it caused Ms C and Mr T is fair and reasonable and in line with awards we would make in similar situations where there is considerable distress, upset and worry and/or significant inconvenience and disruption that has short-term serious impact or where it lasts over weeks or months.

Mr T feels that our award levels are low and should be revisited but this isn't something I am able to look at in this decision. My role here is to consider Ms C and Mr T's individual complaint and decide whether Admiral's actions as their home emergency insurer were fair and reasonable.

I appreciate Ms C and Mr T will be disappointed with my decision but for the reasons I gave above, I've decided not to ask Admiral to increase its compensation to them.

My final decision

Admiral Insurance (Gibraltar) Limited has already made an offer to pay £400 to settle the complaint and I think this offer is fair in all the circumstances. So, my decision is that Admiral Insurance (Gibraltar) Limited should pay Ms C and Mr T £400 if it hasn't paid this already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C and Mr T to accept or reject my decision before 30 December 2024.

Anastasia Serdari
Ombudsman