

## **The complaint**

Mr and Mrs H complain that Admiral Insurance (Gibraltar) Limited is responsible for a fault with their car following repairs under a car insurance policy.

Admiral has been represented on the claim by its agents, including the repairers it instructed. For simplicity, at points, I've referred to the actions of Admiral's agents as being its own.

## **What happened**

In March 2023, Mr and Mrs H claimed on their car insurance policy. Their electric car had been stolen ('the incident'), but thanks to a tracking device within the car, it was found shortly after and then recovered by Admiral.

Mr and Mrs H complained to Admiral about the service they received, and it issued a complaint response in April 2023. I've not considered that complaint under my decision.

Admiral completed the repairs, and the car was returned to Mr and Mrs H in May 2023. Shortly after this, Mr and Mrs H said the main high voltage battery was draining when the car was turned off and parked, and it was losing charge ('the fault').

Admiral inspected the car and returned it in June 2023 after it was unable to identify any faults.

Mr and Mrs H complained about the repairs, delays on the claim, the lack of communication, issues with hire vehicles and costs they'd incurred. Admiral issued a complaint response in July 2023. It upheld their complaint in part and paid them £465, which included £140 for loss of use of their car, and £250 compensation for the distress and inconvenience caused. Under my decision, I'll be considering matters relevant to the complaint Mr and Mrs H referred to the Financial Ombudsman Service. So I'll take into account the costs Mr and Mrs H said they incurred, Admiral's compensation payment and Admiral's payment for loss of use.

After Mr and Mrs H reported a recurrence of the fault in July 2023, Admiral arranged an independent inspection. This said the car was losing charge and recommended it be taken to a main dealer for a full diagnostic.

The car was sent to the main dealer in September 2023 and remained with them until October 2023, when they confirmed they hadn't found a fault. The main dealer didn't experience any abnormal battery drain while the car was in their possession. Mr and Mrs H were satisfied in October 2023 the car was working, but reported in November 2023 the fault had returned.

Mr and Mrs H complained to Admiral. They were not happy with the repairs carried out and said this had caused financial loss, severe stress and anxiety. They sought reimbursement of their costs, including their rental car costs.

Admiral issued a complaint response in November 2023. It accepted there had been delays

on the claim, along with poor communication and poor service. But it didn't agree the standard of its repair was poor. It said the dealer hadn't found a fault with the battery so there was nothing more it could do. It said Mr and Mrs H could obtain their own report, and it would look into things further if the report shows the fault relates to the repairs it carried out. Admiral didn't agree to reimburse their rental car costs, but it sent them a cheque for £390 which included £120 for loss of use of their car, £250 compensation for the distress and inconvenience caused, and £20 for Mr and Mrs H's call costs.

Mr and Mrs H remained unhappy, so they referred their complaint to the Financial Ombudsman Service. They felt they'd been left with a car that had a major fault, and this related to the incident. They said they'd incurred hire, parking and transport costs. They said they'd been led to believe their hire costs would be covered.

Our investigator didn't uphold the complaint. She didn't feel there was sufficient evidence to show the fault was caused by the incident or repairs. She said Admiral had paid £270 compensation to apologise for the poor service, communication and inconvenience caused, and a further £120 for loss of use of their car during repairs. She felt what Admiral had paid was fair and it was fair for Admiral to ask Mr and Mrs H to provide their own report. Mr and

Mrs H didn't agree. They felt the appropriate standard was that of a balance of probabilities and this was strongly in their favour. They felt given the time that had passed, a further diagnosis was difficult.

Because the complaint couldn't be resolved, it has been passed to me to decide.

I used a provisional decision. In it I explained why I didn't intend to uphold Mr and Mrs H's complaint. The provisional decision's reasoning forms part of this final decision, so I've copied it below. I invited Mr and Mrs H and Admiral to provide any further comment or evidence they would like me to consider before issuing this final decision.

### ***What I've provisionally 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.*

#### **Prior to the incident**

*Mr and Mrs H have provided evidence to show a service was carried out in February 2023, shortly before the incident, which included an electric vehicle health check. They've also provided evidence to show they made a significant finance payment in March 2023, around a week before the incident, to purchase and retain their car.*

*On the basis of the above, I'm persuaded that Mr and Mrs H didn't experience the fault prior to the incident. I think if they had done, they'd have been unlikely to pay such a significant sum to retain their car.*

#### **After the incident**

The policy terms provide cover for damage due to theft, or attempted theft, including to electric car batteries. The terms also say Admiral can provide cover by paying to repair the car. So, if there is an identifiable fault or damage, caused by the incident, Admiral would be required to provide cover. And it could do so by paying for the cost of repairs.

In addition, if an identifiable fault or damage was caused by Admiral's repairs, I think it would be fair and reasonable for Admiral to take responsibility for this.

Admiral arranged the repairs through a main dealer approved repairer. The estimate for the repairs in April 2023 came to £17,805.95, including VAT, and the repair works included works to electrical items within the car. Mr and Mrs H said they discovered the fault on their first attempted use of the car following repairs, and the independent engineer's report in July 2023 confirmed the car was losing charge, and recommended it be taken to a main dealer for a full diagnostic.

On the basis of the above, I think it's possible the fault could have been caused by the incident or repairs. It's also possible the fault is unrelated to either. Given the age of the car and its mileage, I agree with the Investigator the fault could possibly have been present or developing at the time the theft occurred. So in order to direct Admiral to take responsibility for the fault and do something, I'd need to be satisfied the fault was most likely caused by the incident or repairs.

Mr and Mrs H raised concerns about the competency of the repairer Admiral used. Admiral used a repairer that is also used by the main dealer, so I'm satisfied the repairer would have been sufficiently competent, and Admiral acted fairly in using them.

#### *Independent report*

*The independent report of July 2023 confirms the car is losing charge. But the report doesn't confirm the issue or fault is due to the theft, or repairs, or that it is most likely due to either.*

*Mr and Mrs H said Admiral told them during a call in August 2023, the independent assessor confirmed the fault was theft related. Admiral hasn't provided a complete recording of this call, but its notes from August 2023 support what Mr and Mrs H have said. But the actual report doesn't confirm the fault was theft related. It just notes the car is fully electric and losing charge. And because it recommended a full diagnostic by a main dealer, I'm satisfied the engineer didn't reach a conclusion on the cause of the fault. So, I think Admiral gave Mr and Mrs H misinformation and managed their expectations poorly.*

#### *Main dealer*

*In early October 2023, the main dealer told Admiral they couldn't find any serious fault. They confirmed they reviewed the battery charge over a week and it had lost an amount of charge that was within acceptable tolerances (1%).*

*Later in October 2023, the main dealer told Mr and Mrs H the car had been on their site since 25 September 2023, and they'd charged the car to check the battery levels and driven the car too. They said the car performed perfectly well and the battery loss was within completely normal levels. The main dealer confirmed that no fault had materialised within a*

*period of nearly three weeks. But main dealer agreed to review further.*

*Towards the end of October, the main dealer told Mr and Mrs H they had carried out various checks over a period of a month, and the car had performed and operated without fault. This was based on an additional two weeks of testing on top of their previous tests and diagnostics. The main dealer confirmed they had carried out*

*extended testing of charge rates.*

*Overall, in arranging for the main dealer to carry out extensive testing, over a sufficiently long period of time, I think Admiral has responded fairly to Mr and Mrs H's reports of the further fault, and the independent engineer's recommendations. I can understand Mr and Mrs H's frustration, but keeping in mind the main dealer's conclusions, I haven't seen enough to persuade me the fault was most likely caused by the incident or repairs. It follows that I don't think Admiral needs to do anything in relation to the fault and is not responsible for costs incurred by Mr and Mrs H following the fault.*

#### *Mr and Mrs H's comments*

*Mr and Mrs H have suggested possible causes for the fault, including the handling of the car and battery by Admiral, but I'm not persuaded the reported fault was likely caused by the incident, or Admiral's handling. I say this because the main dealer didn't draw any such conclusion following extensive testing, and they didn't conclude this was likely the case on balance.*

*Mr and Mrs H have also provided other information about what may be causing the battery drain. While I note the problem developed around the time of the incident or repairs, the experts involved haven't identified a fault nor found the incident or repairs to be the cause. Mr and Mrs H have also not provided any expert evidence to persuade me the fault was most likely caused by the incident, or repairs. So based on the available evidence, I'm not persuaded the fault was caused by the incident or repairs, and I'm not minded to direct Admiral to take further action.*

*I can understand why Mr and Mrs H feel the fault was caused by the incident or repairs, particularly given the timing. I have sympathy for their circumstances, as they've discovered a fault with their car shortly after paying a substantial amount to purchase it. But none of the experts that reviewed the information or inspected the car confirmed the cause of the fault, or linked this to the incident or Admiral's actions. So I'm not persuaded the fault was due to any of the causes suggested by Mr and Mrs H, and I'm not minded to direct Admiral to carry out repair work on this basis.*

#### *Admiral's actions in taking the car back*

*Mr and Mrs H said Admiral spent months accepting responsibility and then shifted the burden onto them.*

*In agreeing to investigate the reported fault, I think Admiral acted fairly, and I don't think this amounts to an acceptance, or evidence, that the fault was incident or repair related. It is common for an insurer to want to investigate a reported fault, to determine if it's responsible for the fault under the terms, or due to its actions.*

*Admiral arranged extensive investigation into the fault, including by an independent main dealer. Despite this, no conclusion was reached to confirm the fault, the cause, or to link this to the incident or repairs. I appreciate Mr and Mrs H's disappointment, but I don't think it's unfair for Admiral to refuse to do anything else.*

#### *Delays*

*Mr and Mrs H said the delays by Admiral have made it more difficult to now identify the cause of the fault.*

*While I accept there was some delay, I'm not persuaded this has prevented further investigation into the fault. Mr and Mrs H said the fault was present when the car was returned in November 2023. Given they believe the fault is present, I can't see that any delays have impacted on their ability to arrange any investigation into it, or its cause. So I don't think it was unfair for Admiral, in its complaint response of November 2023, to invite Mr and Mrs H to provide their own report.*

#### **Total loss**

*Mr and Mrs H said Admiral should write off their car as it can't find the fault in order to fix it.*

*I'm not persuaded by the evidence I've seen, that the fault was due to the incident or Admiral's repairs.*

*If there was sufficient evidence to show the repairs were inadequate, and further specific repairs were identified, that Admiral was unable to carry out, or that it considered uneconomical, it may have considered settling based on the market value. But I've not seen sufficient evidence to show this, so I don't think Admiral is required to do anything else.*

#### **Car hire costs before the repair**

*Mr and Mrs H want Admiral to cover their car hire costs. This includes costs incurred prior to the initial repairs.*

*Admiral accepts it didn't provide a courtesy car when it should have, at that time. And in accepting this, it has paid Mr and Mrs H a total of £260 for their loss of use (£140 in July 2023 and £120 in November 2023).*

*Mr and Mrs H said they paid £88.30 between 20 and 24 March 2023, and £132.90 between 27 and 30 March 2023. This comes to a total of £221.20.*

*Where we are satisfied an insurer acted unfairly, resulting in a customer not being able to use their vehicle, or replace it, the Financial Ombudsman Service's approach is usually to ask an insurer to refund reasonable additional costs, with interest. In this case, Admiral accepts it didn't provide a courtesy car when it should have. So the reasonable additional costs would include the cost of hiring a car similar to the one owned by Mr and Mrs H. But we don't ask an insurer to pay an additional daily amount on top of this.*

*Admiral paid Mr and Mrs H £140 for loss of use of their car in July 2023, and £120 for loss of use in November 2023. Because I think the £260 Admiral has paid is likely more than the cost Mr and Mrs H have claimed, even if interest was added, I think Admiral has already paid a fair amount, so I won't direct it to pay anything else.*

#### **Costs after the repair**

*Mr and Mrs H have claimed for costs after Admiral's repairs, totalling £1,453.12. This includes taxi costs and car hire costs.*

*As explained above, I first need to be satisfied that Admiral acted unfairly, causing them to not be able to use their vehicle, or replace it. In the circumstances, this would mean I need to be satisfied that Admiral failed to carry out a proper repair, and this caused the fault and rendered the car unroadworthy.*

*I've explained above why I'm not satisfied the fault, or the cause, was due to the incident or repairs. And I've not seen sufficient evidence to persuade me the car was rendered unroadworthy as a result. The engineer's report in July 2023 confirms the car was roadworthy following inspection.*

*So, for the above reasons, I don't think it's fair to hold Admiral responsible for Mr and Mrs H's hire costs after the repair, or any costs associated with being without their car.*

*Mr and Mrs H say they were led to believe their costs would be covered, but having reviewed the evidence, I'm not persuaded this was the case.*

*Admiral's notes between March 2023 and June 2023 show it told Mr and Mrs H it would only provide a courtesy car once any estimate for repairs were authorised, and for the duration of those repairs. I can't see that Admiral told Mr and Mrs H it would cover the cost of car hire they arranged themselves. And because there were no further repair estimates authorised, and no further repairs carried out, I don't think Mr and Mrs H could reasonably have thought their car hire costs would be covered.*

*Admiral's notes also show it informed Mr and Mrs H in August 2023, it wasn't possible for it to reimburse their car hire costs. But despite this, Mr and Mrs H indicated they would claim the car hire and parking costs from Admiral through the Financial Ombudsman Service. So I think it's more likely that Mr and Mrs H knew Admiral was unwilling to cover their car hire costs, and they chose to incur those costs anyway.*

*Mr and Mrs H say that in November 2023, Admiral led them to believe it would assist further if the fault returned, so they assumed Admiral would cover their car hire costs. But given the above, I don't think it was reasonable for Mr and Mrs H to assume this.*

#### Poor service

*I won't be directing Admiral to do anything relating to the fault, as I'm not persuaded there is enough evidence to show it was caused by the incident or repairs.*

*But I do think there is evidence of poor service, which I think would have caused Mr and Mrs H distress and inconvenience.*

*I think the first inspection of the alleged fault was carried out within a reasonable time. I also think the independent inspection was carried out within a reasonable time after the fault was reported again. I can see it then took around two months to get the car to the main dealer, so I think there was some delay here.*

*Following this, I think a reasonable amount of time was taken to carry out a sufficiently extensive investigation into the fault. I can see this included a further two weeks from mid- October, based on an agreement between the main dealer and Mr and Mrs H. So I don't think there was delay here.*

*Admiral accepts there was poor communication throughout the claim, that it failed to manage Mr and Mrs H's expectations, it didn't respond to their communication, it failed to call them back and it took too long to respond to their concerns. I think this would have caused Mr and Mrs H some distress and inconvenience. But for the outlined above, I'm not satisfied that Admiral is responsible for the fault, or the impact the fault has had on Mr and Mrs H.*

*Admiral has already paid Mr and Mrs H £500 compensation in total for the distress and inconvenience it caused. It paid £250 in July 2023 and £250 in November 2023. This is*

*more than I'd have directed Admiral to pay, in the circumstances, so I won't be asking it to pay any more.*

### **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.

As this is an informal service, I'm not going to respond here to every point Mr and Mrs H made in response to the provisional decision. Instead, I've focussed on those I consider to be key or central to the complaint. But I would like to reassure Mr and Mrs H that I've considered everything they've provided.

Mr and Mrs H said all the evidence points to the fault being theft or repair related. They accept there is a lack of expert evidence on both sides, but have pointed out none of the experts said the fault was not related to the theft or repairs.

I'd acknowledged in my provisional decision Mr and Mrs H likely didn't experience the fault prior to the theft. But I'd explained none of the experts that reviewed the information or inspected the car, confirmed the cause of the fault, or linked this to the theft or Admiral's actions.

I accept the main dealer didn't say the fault was not related to the theft or repairs, but I'd explained in my provisional decision the main dealer said they hadn't found a fault and didn't experience any abnormal battery drain. I've also seen that Admiral's in house engineer reviewed all the available evidence, and didn't think there was a link between the repairs and the issue reported to the battery. Overall, I'm still not persuaded the fault was most likely caused by the theft, repairs, or any of the actions suggested by Mr and Mrs H. So I don't think Admiral needs to do anything more in relation to the fault.

Mr and Mrs H felt Admiral's agents had failed to diagnose the fault, so it wasn't fair for Admiral to avoid responsibility for it. They didn't agree the testing carried out was sufficient.

Admiral arranged an independent inspection, and the resulting report recommended the car be taken to a main dealer for a full diagnostic. I think Admiral followed this recommendation in sending the car to the main dealer. The main dealer reviewed the battery charge and were unable to find a fault. They'd also charged the car to check the battery levels and driven it. They said the fault hadn't materialised in the nearly three weeks they'd had the car. And despite carrying out a further two weeks of testing following this, they said the car operated without fault, and there were no diagnostic codes to support any further diagnostics.

Admiral followed the recommendation in the independent report, and the main dealer carried out the testing they felt was necessary and reasonably possible to find the fault. So, I think Admiral arranged reasonable and sufficient testing.

Mr and Mrs H said Admiral didn't raise the possibility that damage was not related to the theft, and actively confirmed it was related. They feel this impacted their ability to obtain their own evidence.

I'd explained in my provisional decision that Admiral likely gave Mr and Mrs H misinformation. But I don't think this prevented Mr and Mrs H from carrying out further investigation into the fault, if they wished. I'd explained in my provisional decision Mr and Mrs H said the fault was present when the car was returned in November 2023, so I can't see Admiral's actions impacted on their ability to arrange any investigation into the fault.

Mr and Mrs H said Admiral misled them into accepting the return of the car. Given the reports and testing didn't show the fault was the result of the theft or repairs, I don't think Admiral was required to retain the car or carry out any further testing or works.

Mr and Mrs H also feel Admiral should reimburse their rental car costs for August and September 2023. They've said their car was with Admiral at this time and there was a delay in placing the car with the dealership. I'd explained in my provisional decision that in order to find Admiral responsible for these costs, I'd need to be satisfied that it failed to carry out a proper repair, causing the fault and rendering the car unroadworthy.

I've explained why I'm not persuaded the fault was due to the theft or repairs. And I explained in my provisional decision why there wasn't sufficient evidence to show the car was unroadworthy following repairs. Admiral's notes show it told Mr and Mrs H it wouldn't reimburse their rental car costs. And because I think their car was driveable, I think it was their choice to incur the subsequent rental car costs, as I think they could have asked for their car back if they needed it. So, in the circumstances, I don't consider it reasonable to direct Admiral to cover their rental car costs following the repair.

For the reasons outlined above, I've come to the same conclusion as I did in my provisional decision.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 12 December 2024.

Monjur Alam  
**Ombudsman**