

## **The complaint**

Mr W is unhappy with how Admiral Insurance (Gibraltar) Limited (Admiral) have handled his subsidence claim on his home Insurance policy.

Any reference to Admiral includes its agents.

## **What happened**

The background of this complaint is well known to both parties, so I've summarised the key points:

- Admiral requested that Mr W obtain his own independent report of the damage at his property rather than send its own contractor to inspect.
- Admiral disagreed with Mr W's surveyor's report, and said it wasn't evident that subsidence was occurring.
- Mr W is unhappy that he had to cover the cost of getting his own report, the delays on the claim and was concerned that Admiral wouldn't continue to provide insurance cover if it was satisfied subsidence wasn't occurring.
- Admiral provided three final response letters (FRL's) of 19 January 2024, 14 May 2024 and 19 June 2024, mostly upholding Mr W's complaint points and awarding in total £940 compensation.
- Our investigator considered these three complaints, and her overall opinion was to uphold them. She recommended that Admiral refund the cost of Mr W's report and conduct a period of monitoring at the property as she didn't consider that Admiral had shown subsidence wasn't occurring at the property. However, she felt that Admiral's total compensation over the three complaints was sufficient.
- The investigator had further conversations between Admiral and Mr W and had it agreed that Admiral would reimburse the cost of Mr W's report and apply 8% simple annual interest to the amount calculated from when Mr W paid it to when it's reimbursed. Admiral had a senior technical claim manager review things who said that the claim was incorrectly declined by Admiral's previous supplier, and it appointed a new one to progress the claim.
- Mr W disagreed that the compensation amount was adequate for the three complaints therefore the complaint has been passed to me, an Ombudsman, to make a final decision.

## **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 Admiral have agreed to refund Mr W's report costs, with interest, and continue with the claim, I've focused on the amount of compensation that's been awarded over these three complaints.

Our service looks at the complaint responses from a business, not the ongoing claim. As our investigator has said, we can only look at events up until the date of the last complaint response, 19 June 2024. So, the timeframe that I've considered is from after Admiral's FRL it issued on 11 July 2023 up until its latest FRL 19 June 2024. Therefore, my consideration of the compensation amount doesn't take into account events that happened after that date.

Admiral appointed drain specialists, Auger, to visit the property in July 2023 however its findings weren't available until mid-August. Only after Mr W complained did he receive an update on the claim in September 2023 saying that Admiral, considered the damage not to be the result of subsidence.

I can appreciate Mr W's concerns that this decision wasn't based on a visual inspection, and I am persuaded this should've been arranged sooner. Instead, it took until December 2023 for Admiral to send out a building surveyor to review the damage in person. I consider that Admiral ought to have arranged this sooner, so it's caused unnecessary delays on the claim.

There were a further two months of delays in finding out the results of the visit and I understand why Mr W was waiting to hear from Admiral directly rather than its agent. I think this shows that Admiral and its agent hadn't set out to Mr W how the claim and communication would proceed in terms of its agent being able to discuss and deal with the claim on Admiral's behalf.

Admiral accepts that there was a lack of communication from it when it had referred to its underwriting department for a decision on whether cover would be provided at renewal. Admiral, say it contacted Mr W on 09 April 2024 for further information to assist the underwriter in making a decision. It took until 12 June 2024 for Admiral to amend the claim record to not being subsidence and Mr W was invited to discuss a new quote with it.

However, it accepts that the final supplier's report was issued in December 2023, therefore it took it six months to make the amendments and offer cover again. This took too long, and Mr W would've undoubtedly been concerned over the claim record and whether he could continue the policy with Admiral. Had Admiral told Mr W its decision on this sooner, it would've meant Mr W wasn't caused six months of unnecessary distress and worry.

It's clear there have been periods of delays within the timeframe I've considered, and that these delays have caused unnecessary distress and inconvenience to Mr W. I would've expected Admiral to have offered compensation to reflect these delays, and its offer of £940 for these three complaint responses is around what I would've said should be paid. So, I'm satisfied that with the above actions, and this compensation amount, that this is a reasonable way to settle these complaints.

### **Putting things right**

I instruct Admiral Insurance (Gibraltar) Limited to:

- Reimburse Mr W's report costs and add 8% a year simple interest to this amount, calculated from the date it was paid to when it is reimbursed.
- Continue with the claim and investigations into the cause of the damage.
- Admiral has already made an offer to pay a total of £940 compensation for the three complaint responses being considered in this complaint and I think this offer is fair in all the circumstances. So, my decision is that Admiral should pay £940.

**My final decision**

For the reasons above, I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 30 June 2025.

Angela Casey  
**Ombudsman**