

The complaint

Ms J complains about Admiral Insurance (Gibraltar) Limited's (Admiral) handling of a motor insurance claim.

What happened

Ms J insured her car with Admiral. After she was involved in a collision, she made a claim. Admiral confirmed the claim was covered and arranged for repairs to be carried out by one of its approved repairers.

Ms J received the car back four months later but noted a number of issues with it. She had it inspected by an independent garage who said there was further damage which had been caused in the collision but not repaired by Admiral's approved repairers.

Admiral agreed to cover the further repairs and said the independent repairer could carry out the work.

Ms J complained to Admiral. She said there had been unreasonable delays to the repairs, causing her to be without her car for a significant period and it had been returned to her in an unacceptable condition. She was also unhappy about the length of time taken for Admiral to authorise the further repairs. She raised a separate complaint about her details being sent in error via email.

Admiral upheld parts of her complaint. It said there had been delays to the original repairs and offered £150 compensation for this, as well as £160 for her being without a car for a period of 16 days. It also offered £25 compensation for the data breach.

Ms J was unhappy with this and referred her complaint to our service. Our investigator thought Admiral's offer of compensation was fair. Ms J disagreed and asked for an ombudsman's decision.

My provisional decision

I issued a provisional decision as I was minded to uphold Ms J's complaint. I said:

I've looked at Admiral's offer of £335 in total as part of its response to Ms J's complaint. This was made up of:

- £150 compensation for distress and inconvenience due to delays and poor handling of the claim.
- £160 for the loss of use of Ms J's car between 29 June and 14 July 2023.
- £25 compensation for the potential data breach caused when her details were emailed to the wrong person.

Ms J hasn't raised any further points in regards to the data breach and I think the offer for that is reasonable. An error was made when one of Admiral's representatives sent an email

to the wrong repairer. While this isn't acceptable, it was an inadvertent error and Admiral have apologised and paid compensation for this.

However, I don't think the £150 compensation offered to recognise the impact of the delays and poor handling of Ms J's claim is sufficient. If there had only been delays to the original repairs, and no other issues had arisen, I'd likely have been minded to say the compensation offered was reasonable.

The original repairs took nearly four months to be completed. Admiral has said this was due to a "backlog" but hasn't provided any significant detail of this and in any case acknowledged the repairs were unreasonably delayed. Insurers have a duty to handle claims, including repairs, promptly and efficiently. The repairer was Admiral's agent so Admiral is liable for the impact of these delays. I'm also satisfied Admiral's communication with Ms J during this period was inadequate. There wasn't an explanation for the delays, a commitment to have the repairs done within a certain timeframe or any discussion of alternatives, such as making

a cash settlement so Ms J could have the repairs done elsewhere. I don't think it's acceptable for the repairs to have taken four months with little explanation or communication to Ms J about this.

I'm further satisfied that the impact of the delays is increased by the repairs which were carried out being inadequate. I'm aware as well that the battery was flat when the car was returned to Ms J but Admiral has acknowledged that and paid the cost of the new battery. My principal focus is that the car was returned with unrepaired mechanical damage which it's accepted arose from the original collision. It's reasonable to expect that this should have been picked up by Admiral's authorised repairer, especially considering the length of time they had the car.

It also seems to be accepted that the damage was such that the car wasn't roadworthy but Ms J had been using it after it was returned until she took it to a garage around two weeks later. Ms J's commented on the distress this caused her as she was concerned she could have caused an accident as a result. While we can't award compensation for something that could have, but didn't, happen, I think the distress caused to her by being told she'd been using a car that wasn't roadworthy for a period of around two weeks should be recognised.

The need for further repairs, which took two months, also had an impact on Ms J, as she was without her car (or a courtesy car provided by Admiral, a point I'll address further in this decision) for a further significant period of time. If the repairs had been carried out properly the first time this could have been avoided.

It's also apparent that after Ms J made Admiral aware of the further damage there was a delay of several weeks while Admiral decided what steps it was going to take. There was discussion around appointing an independent assessor, who this would be, what would be done and then further discussion about authorising the further repairs. This caused further delay to the claim and Ms J was without a car, albeit a courtesy car was provided for some of this period. Admiral's recognised she was without both her car and a courtesy car for a period of delays they were responsible for and offered £160 for the loss of use of her car, calculated at a rate of £10 per day.

When Admiral authorised the further repairs, it agreed these could be carried out by the independent garage, as opposed to one of its recommended repairers. When it did so, it withdrew cover for the courtesy car Ms J had been provided with, as the terms and conditions of the policy said a courtesy car would only be provided if repairs were being carried out by an authorised repairer.

However, I don't think this is a reasonable position to have taken, for two main reasons. Firstly, Ms J did offer for the original, recommended repairer to carry out the further repairs, but Admiral said it preferred the independent garage to carry them out. Where Ms J had said she was happy for the original repairer to carry out the repairs (which would have entitled her to a courtesy car) but it was Admiral's decision not to do so, I don't think it's fair for Admiral to rely on the policy condition which restricts courtesy car cover to repairs done by a recommended repairer.

Secondly, I think that even if Ms J hadn't agreed to the original repairer doing the further work then it would have been unreasonable to withdraw the courtesy car cover. Admiral's clear preference was for the independent garage to carry out the repairs, rather than the recommended repairer. In any case, the recommended repairer had carried out inadequate repairs in spite of having the car for four months, so I think it would have been reasonable for Ms J to refuse to allow them to carry out further work but still retain the benefit of the courtesy car.

Having concluded that Admiral unreasonably withdrew the courtesy car, I now need to say how this should be recognised. Admiral previously recognised a 16 day period where Ms J didn't have her car or a courtesy car, and paid £10 per day for this, totalling £160.

Our normal position where someone has lost the use of their car and no courtesy car has been provided when it should have been is to look at the additional travel costs incurred by the policyholder during the relevant period. We've asked Ms J for this but haven't been provided any details.

In order to proceed with my assessment in the absence of that information, I think I should use the £10 per day figure as my basis. That's the amount Admiral used in its calculations. Admiral withdrew cover for the courtesy car on 30 August 2023, and Ms J received her car back on 30 October 2023. That was 61 days where she was without her car, or a courtesy car. Admiral should pay £610 for the loss of use.

If Ms J incurred costs above this amount during that period, I'd suggest evidence of that (such as booking confirmations or tickets) should be provided to Admiral for consideration and that this should be looked at in line with our general approach to claims for loss of use.

I therefore conclude there were multiple instances of poor service and delays for which Admiral was responsible:

- The original repairs taking four months.
- The original repairs being inadequate.
- The process around assessing the damage and authorising further repairs.
- Unreasonably withdrawing the courtesy car while the further repairs were carried out.

I've highlighted some of the impact on Ms J, particularly around driving an unroadworthy car. The total impact of being without her own car for four months, having to chase and contact Admiral for updates, being without her car for a further, avoidable, period and the courtesy car being unreasonably withdrawn is, I think, significant.

I don't think £150 compensation properly recognises the distress and inconvenience caused to Ms J by the poor service and delays. I think Admiral should pay an additional £600 compensation to Ms J as a total of £750 compensation for poor service is more suitable in my opinion.

The responses to my provisional decision

Both Ms J and Admiral responded to my provisional decision.

Ms J accepted the outcome I'd suggested and didn't have any further evidence or points she wanted to have considered. She said she no longer had receipts to show additional travel costs.

Admiral didn't accept my provisional decision. It said it had spoken with the approved repairer and they had said the delay to the original repairs was due to a backlog caused by supply issues with parts, so it was unfair to hold either Admiral or the repairer liable for the delays. It also said Ms J chose to have the further repairs carried out by the independent repairer and so no courtesy car was available in line with the terms and conditions of the policy.

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've considered the further points raised by Admiral, and my decision remains unchanged. My core reasoning remains the same as I previously outlined, so I'll address the points raised by Admiral here.

Admiral says it shouldn't be held liable for the delays which arose due to a shortage of parts to repair Ms J's car. I agree it shouldn't be responsible for delays which arise as a result of matters beyond its control, and that a widespread shortage of parts does fall into that category.

However, I note Admiral had previously acknowledged there had been delays, and paid compensation for this. As I said, if the delays were the only issue, then I'd have been minded to say that the £150 offered as compensation was sufficient. However, as I went on to say, the delays weren't the only reason I awarded a higher amount of compensation. In any case, I also pointed out there had been a lack of communication about the delays, including explanations for what was causing them and a discussion of Ms J's options in light of the delays. That remains the same whether or not the delays were caused or attributable to Admiral (or the approved repairer).

Admiral's response doesn't address one of the key reasons why I considered the complaint should be upheld, that being the poor quality of the original repairs and the subsequent distress and inconvenience caused by further repairs being required. I therefore assume Admiral accepts my points regarding this.

Turning to whether a courtesy car should have been provided for the duration of the second repair, Admiral says this isn't the case as Ms J chose to have her car repaired by the independent garage. Ms J's account is that she offered for the original, approved repairer to carry out the repairs but Admiral said the independent garage could do so. She's provided a copy of an email sent to Admiral where she said she accepted the approved repairer could carry out the further work.

That evidence is persuasive in suggesting that Ms J offered to have the approved repairer carry out the work, but that Admiral didn't insist on this. As that's the case my original point about why it was unfair for Admiral to withdraw the courtesy car remains unchanged. In any case, even if Ms J had refused to allow the approved repairer to carry out the further repairs, I don't think it would have been reasonable for Admiral to withdraw the courtesy car. As I

said in the provisional decision, it would have been unsurprising if Ms J had lost faith in the approved repairer given they had the car for a period of four months, carried out repairs but failed to notice or repair the mechanical damage.

For these reasons, I'm persuaded I should uphold Ms J's complaint and the redress I'd previously said would be fair should be paid by Admiral.

My final decision

I uphold Ms J's complaint. To put things right, Admiral Insurance (Gibraltar) Limited must:

- Pay an additional £600 compensation for the poor service, making £750 in total.
- Pay £610 for loss of use covering the period from 30 August to 30 October 2023.

Admiral must pay these amounts within 28 days of us telling it Ms J accepts this decision. If it doesn't, it must pay simple interest at a rate of 8% per year from that date to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 20 December 2024.

Ben Williams
Ombudsman