

The complaint

Mr F complain that Admiral Insurance (Gibraltar) Limited have provided poor service following a fire at their property.

What happened

Mr F held a buildings and contents insurance policy with Admiral.

In January 2024 there was a fire in the shared stairwell of Mr F's flats. There are eight flats that share the stairs. Mr F's flat was undamaged.

Admiral accepted Mr F's claim and agreed to pay one eighth of the costs of the repairs to the communal areas, but initially refused to pay for alternative accommodation (AA) for Mr F as they said that the flats were habitable. After further consideration and receipt of medical evidence, Admiral did agree to pay for AA as they agreed the lighting in the stairwell wasn't working.

Mr F subsequently raised six complaints about the handling of his claim between February and September 2024.

Admiral upheld some of these, offering Mr F a total of £1385 compensation for the distress and inconvenience caused.

Mr F wasn't happy with this and brought his complaint to us. While we were considering it, Admiral made a further offer of £300, bringing the total compensation award to £1685 on the claim overall. Mr F rejected this increased offer.

One of our investigators has looked into Mr F's complaint and he thought that Admirals' offer was fair.

Mr F disagreed with our investigator's view, and so the case has come to me to review.

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 am upholding Mr F's complaint and asking Admiral to pay the additional £300 offered and I will explain why.

Admiral responded to Mr F's first complaint on 14 February 2024. That complaint was about Admirals' failure to provide alternative accommodation (AA) from the outset of the claim. Admiral upheld this complaint and awarded £250 compensation, paid a hotel bill, and arranged AA.

I have already issued a decision explaining that I am unable to look at this complaint as it is outside the time limit I must apply. That also means that when I've been considering the subsequent complaints brought by Mr F, I am unable to consider any point he has raised

about Admirals' failure to provide AA from the date of the fire – as that was addressed in that first complaint response and is time barred.

I note that Mr F has asked me to consider paying compensation to the value of £9000, which he considers is what Admiral have saved by not paying him AA from the outset. While I understand what Mr F is asking, this isn't something I can do as it's not in line with our approach. We aim to put consumers back in the position they would have been in had it not been for the insurer's error. This can include reimbursing or asking a business to pay actual expenses and costs, and awarding compensation for distress and inconvenience in line with our guidance which can be found on our website.

So the complaint responses that I will be considering are:

- 26 March 2024 – poor communication, not receiving the AA payment on the day it was needed, failure to provide AA in a timely manner, poor case handling, the actions of the loss adjuster and claims handler
- 8 May 2024 – The disturbance allowance paid was too low, and Mr F wanted reimbursement for all of the money spent in the hotel
- 12 June 2024 – Lack of responses from Admiral and excessive delays in reply times.
- 18 September 2024 – Lack of responses, and issues with AA not being extended despite notes from the GP
- 30 September 2024 – Confusion about whether AA would be extended in a call

As many of these issues overlap, I have considered each issue raised rather than looking at each complaint, and then looked at the compensation offered for the whole period, taking into account the issues raised.

Disturbance Allowance

Admiral have paid for hotel accommodation from 11 February 2024 to 28 February 2024, and paid Disturbance Allowance (DA) at a rate of £24 per day (£12 per day per person for Mr F and his partner) throughout that 18 day period. Admiral have said that there is no provision in the policy for DA to be paid if a policyholder is in AA, however, they have paid it anyway.

Even if it isn't in the policy, we consider that it is fair for the insurer to pay additional costs – over and above the insured's normal cost of food and living expenses - even when AA is provided if the accommodation provided is such that it means that the insured's cost of living is higher.

As Mr F and his partner were initially staying in a hotel, they would not have had the normal facilities that were available at home - and so I would expect that they would incur additional expenses by living in a hotel which are over and above the costs of being in their own accommodation. For example, they may have to eat out rather than prepare their own food and pay for a laundrette.

However, I haven't seen any evidence of Mr F's actual expenses being provided to Admiral, and so in that situation, we would consider it reasonable for Admiral to pay their standard DA rates - which in this case is £12 per person per day, which is in line with our approach to DA. And so I can't say that Admiral have acted unfairly here by applying the standard rate.

If Mr F has evidence that he and his partner's additional living costs during that period exceeded £24 per day, he would need to provide receipts and invoices to Admiral, and they would have to consider if these were payable.

In their final response Admiral have accepted that there was a small shortfall of £3.20 in the DA paid and so they have paid £10 to cover that.

Issues with AA payments

Mr F has complained that payments weren't received for AA on the days needed, and there were issues with authorisation, and confusion about who was responsible. I can see that in their response on 26 March 2024, Admiral have upheld various issues to do with the AA and have included compensation for this in their award of £575 for that complaint.

Further issues arose when AA needed to be extended at the end and it hadn't been made clear to Mr F what was needed to enable that extension. This was recognised in the £350 award made on 18 September 2024. Following that there was miscommunication about AA to Mr F in a call, and this was acknowledged by Admiral in the £100 payment on 30 September 2024.

I can understand the concerns that Mr F had around his AA and ensuring that he received payments in time to secure the accommodation. It must have been very upsetting for him and his partner to be displaced for a period of time. However, I'm satisfied that Admiral have acknowledged this and provided explanations and compensation where appropriate for these failings.

I can also see that all AA payments have been made, and where they have been made late, interest has been added in line with this service's approach, so I think Admiral have acted fairly here.

Lack of responses and delays in responding

In their response of 12 June 2024 Admiral accepted that they hadn't responded to Mr F's last three e mails and there have been some delays in responding to others. They awarded £100 compensation in respect of this.

Poor communication was also recognised and upheld in the complaint responses of 26 March and 18 September and recognised in the awards made of £575 and £350.

Again, I can see there were failings on Admiral's part in responding swiftly to contact, and I can appreciate how frustrating Mr F would have found this given his situation. However, I'm pleased to see this has been recognised by Admiral and I think the level of compensation provided is appropriate.

Distress and inconvenience

Having considered all of the above, I appreciate that this whole experience will have been distressing for Mr F. However, in looking at what is an appropriate amount for compensation, I can only consider what additional distress and inconvenience was caused by Admiral's failings, not by the effects of the fire itself. I can see that admiral have accepted that they could have done better here, and they have responded to each of Mr F's concerns raised

appropriately, but they did last over a period of months, and so I'm satisfied that £1685 offered in total fairly reflects the additional distress caused by Admiral's failings.

Putting things right

Pay the additional £300 for distress and inconvenience, bringing the total compensation paid to Mr F across all complaints up to £1685.

My final decision

My decision is that I uphold Mr F's complaint, and direct Admiral Insurance (Gibraltar) Limited to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 1 January 2025.

Joanne Ward
Ombudsman