

The complaint

Mr H complains about Admiral Insurance (Gibraltar) Limited's settlement of his car insurance claim.

What happened

Mr H had a car insurance policy with Admiral. In March 2024, he swerved to avoid a third-party vehicle and his car collided with and mounted a kerb. In April 2024, he informed Admiral of the accident. At that point, he wasn't sure if he wanted to claim.

In April 2024, Mr H arranged repairs through his repairer, who I will call L. He paid £1,970.83 including VAT, for repairs to side steps, the outer moulding and for a wheel alignment. Mr H then made a claim for this cost with Admiral. Admiral asked Mr H for evidence, such as images, which he provided. But after reviewing the images, Admiral only agreed to pay £267.88 including VAT, for the damage to the moulding. It declined to cover the other costs.

Mr H was unhappy with Admiral's refusal to cover the remaining costs. Admiral arranged an independent assessment in July 2024 and maintained its decision. Admiral issued a complaint response in July 2024. It said Mr H completed repairs before it could review any estimate or authorise repairs. And based on the images Mr H was able to provide, it could only see damage to the door moulding. It didn't uphold Mr H's complaint.

Mr H referred his complaint to the Financial Ombudsman Service. He said Admiral didn't explain the process clearly when he first made contact, and the independent assessor didn't contact him before issuing its report. He wanted Admiral to pay him £1,370.83 (the cost of his repairs, less the £600 policy excess), along with compensation.

The Investigator upheld Mr H's complaint. They said it was reasonable for Mr H to get authorisation before completing repairs, but that on balance, the evidence shows the repair costs he was claiming were accident related. They also said there was some delay and poor service in Admiral's handling of the claim. They recommended Admiral pay Mr H £1,370.83, less anything it had already paid him for the claim, along with £200 compensation. They said this would mean Admiral could update the records to reflect a claim had been made.

Mr H accepted the recommendation. Admiral disagreed. It said it had a right to investigate the claim, and it wasn't satisfied the images showed the damage Mr H claimed for. It also said Mr H didn't make it aware of his intention to arrange repairs and claim for that cost.

Because the complaint couldn't be resolved, it's been 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.

Mr H and Admiral have provided a lot of information under the complaint. I assure them I've taken everything they provided into account. But in this decision, I've focused on what I think

are the key issues in this complaint. No discourtesy is intended by this, but it simply reflects the informal nature of the way the Financial Ombudsman Service operates.

Claim settlement

Mr H's policy covers damage to his car as a result of an accident. But the terms say if Mr H doesn't wish to use Admiral's approved repairer, he needs to give Admiral an estimate from his repairer so it can review if this is reasonable. I don't consider this to be unusual, and I think it's in line with the terms I'd expect to see in most car insurance policies. So I think it's sufficient that this information was included within the main policy terms and conditions.

When Mr H first notified Admiral of the accident, he didn't make a claim. He only did this after he completed repairs through his chosen repairer. Mr H says he did this partly because Admiral initially told him his car would likely be written off. I can understand why Mr H approached his own repairer in the first instance. But because his car was still driveable, I don't think he acted reasonably, and in line with the policy terms, by carrying out the repairs, before providing Admiral with any estimate from his repairer. And I think this meant Admiral lost the opportunity to inspect the damage as it might've reasonably wished to.

While I agree with Admiral it has a right to review and investigate, and Mr H didn't make it aware of his intention to arrange repairs, it doesn't automatically follow that Admiral can decline to cover the cost of any repairs Mr H carried out. In order to decide what's fair and reasonable in the circumstances, I've considered whether Mr H has shown the damage claimed for, was likely related to the accident in March 2024. And I've considered whether Admiral's conclusion in the circumstances was fair.

Admiral based its conclusion on the images Mr H and his repairer were able to provide. And having reviewed the images, I agree they don't conclusively show damage to the steps. The independent assessor (who I will call T) also relied on these images.

But Admiral also spoke to Mr H's repairer, L, a manufacturer approved garage, on 24 June 2024. I've listened to this call, and L confirmed the repairs carried out were because the moulding and steps were broken, that the whole steps had been pushed back and gone up, and this is what caused damage to the moulding. As L reviewed the damage first-hand, I find their comments and explanation to be persuasive in the circumstances.

Admiral accepts there was impact related damage to Mr H's car and agreed to cover the damage to the moulding on this basis. It hasn't provided any evidence to show damage to the steps were unlikely. Given L's express comments, and the impact was between the kerb and the underside of Mr H's car, I think it's more likely than not that the accident in March 2024 did cause damage to the steps of Mr H's car. And I don't think Admiral's conclusion, in reliance of just the images, despite L's explanation and comments, was fair.

Admiral hasn't provided evidence to show Mr H's repair costs were unreasonably high, or that any of the other costs included in his invoice were unlikely to be related to the accident in March 2024. So, I think it's fair and reasonable in the circumstances, for Admiral to settle the claim based on the full cost of Mr H's invoice.

Admiral sent Mr H a cheque for £267.88, which it can fairly deduct from anything it pays him, along with the £600 policy excess. Admiral will also be entitled to record that a claim was made, in any relevant internal and external databases.

But because Mr H was unfairly without the full claim payment he was reasonably entitled to, I think Admiral should add interest to any amount it pays him. And I think it should pay this from 24 June 2024, when it spoke to L.

Poor service

Mr H sent Admiral his invoice in April 2024, and made it clear he wanted to claim this back. It wasn't until May 2024, nearly one month later, that Admiral asked him for images. I consider this an unreasonable delay. Mr H sent Admiral images in May 2024, and chased this on two occasions, before Admiral contacted him with its conclusion, almost one month later, in June 2024. I also consider this an unreasonable delay.

When Admiral arranged the independent assessor (T), it emailed Mr H to say T would examine his car and referenced inspection of the car at its current location. But Admiral asked T to carry out a desktop review without the need to inspect the car. So I think Admiral gave Mr H unclear and misleading information, leading him to reasonably expect he would receive contact from T. And because he then found out T had issued its report without contacting him, I think he'd have experienced some distress.

All in all, I think Admiral's actions caused Mr H some distress, inconvenience and disappointment. And I think the £200 compensation the Investigator recommended is fair and reasonable in the circumstances. So this is what I will direct Admiral to pay.

My final decision

My final decision is that I uphold this complaint. Subject to my comments above, I require Admiral Insurance (Gibraltar) Limited to:

- Pay Mr H £1,370.83, less any claim payment it has already made, in settlement of his claim.
- On the resulting amount, it should add interest at the rate of 8% simple per year, from 24 June 2024, to the date it completes the payment.*
- Pay Mr H £200 compensation for distress and inconvenience.

* If Admiral considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr H how much it's taken off. It should also give Mr H a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 February 2025.

Monjur Alam
Ombudsman