

## **The complaint**

Mr E's representative complains on his behalf that Admiral Insurance (Gibraltar) Limited (Admiral) unfairly declined to settle his claim on his motor insurance policy.

References to Mr E, or his representative, will include the other.

## **What happened**

In October 2023 Mr E's car was damaged after going through standing water. He had the car towed to a garage and it was diagnosed that there was damage to the power steering. Mr E submitted a claim on his motor insurance policy and evidence was supplied to Admiral as requested.

Mr E chose to have the car repaired at his choice of garage as the car was already with this garage and he had used it for a number of years. The garage said it was given approval by phone to go ahead with the repairs. The repairs were completed, and the car was returned to Mr E.

The garage submitted its invoice to Admiral for settlement, but payment was not received. Both the garage and Mr E's representative called Admiral to chase payment.

On 4 July 2024 Admiral called Mr E and told him his policy didn't cover the damage he had reported to his car and therefore it wouldn't settle the invoice with the garage. It said it had never approved the claim.

Because Mr E's representative was not happy with Admiral, she brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said the level of customer service provided fell far below the standard it should have. And due to demand at the time the investigation was not done as thoroughly as it should have been, so they thought Admiral should cover the claim to fairly rectify the situation.

Because Admiral is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

## **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 saw when Mr E made the claim and wanted to use his own repairer Admiral told him an estimate would need to be provided and be authorised. I saw that an estimate was submitted as requested on 23 November 2023.

Admiral clarified that its process when a policy holder chose to use their own repairer, as in this case, was that it would review the non approved repairer's expert opinion and if at that

point there was uncertainty over whether it was solely mechanical or was accidental damage such as bodywork, it would query this.

From the evidence provided I saw when the estimate was received from the non approved repairer "*no action needed*" was recorded in Admiral's records. Nothing else is recorded at this time. There is no evidence of any activity recorded by Admiral after this date until the garage submitted its invoice for the completed repairs in March 2024 and payment of this invoice was chased by both the garage and Mr E's representative.

Admiral have been unable to locate any call records of calls to the garage. However I have no reason to doubt there was some contact as the garage said it called Admiral. The only evidence supplied by Admiral regarding this claim after the estimate was received is it recorded "*no action needed*". There is no evidence that shows the garage was told not to undertake the repairs which were detailed in the estimate submitted.

Mr E's representative said if they had been told the repairs were not covered under the terms of the policy they wouldn't have progressed with the repairs. They said they would have looked at other options.

During March 2024 and April 2024 Mr E's representative rang Admiral a number of times to chase payment to the garage for the repairs that had been completed. It gave conflicting messages. Mr E's representative was told the estimate must have been authorised for the garage to send the invoice to it. They were told the claim was ok and was just at the final stages of payment. And they were told not to worry but there were lengthy delays because it was very busy.

Admiral accept that Mr E's representative was misinformed. It said it had given her incorrect advice.

I saw on 2 July 2024 the garage rang Admiral and was advised to send in a new invoice and it would be paid that day. This was submitted straight away.

On 4 July 2024 Admiral said the damage reported to the steering rack was a manufacturing fault which was common in Mr E's type of vehicle. It said the steering rack plastic housing cracks allowed water into it causing the steering to fail. It said this was not an insurable event as the policy didn't cover mechanical failure.

Mr E's representative spoke with Admiral again on 16 September 2024 and she said during this call it didn't dispute the claim had been approved. Admiral have been unable to locate the recording of this call.

I accept that mechanical failure is not covered under the terms of the policy. However there is no evidence or explanation why Admiral didn't review and decline the claim for this reason at the point the claim was made, or when the estimate, which clearly details replacement of the power steering rack, was submitted in November 2023.

Based on the evidence provided, I am persuaded that Admiral made an error at the time the repair estimate was submitted, and it incorrectly recorded on the claim "*no action needed*". I haven't seen evidence which persuades me Admiral were clear to either Mr E or the repairing garage that it hadn't authorised this claim.

In addition the interaction Mr E's representative had with Admiral between the claim being made in October 2023 and chasing payment in July 2024 suggested to her there was still an active claim. Additionally, when Mr E's motor insurance policy was due for renewal in

March 2024 his representative was told by Admiral that the increase in the price quoted was in part due to this claim. I understand why this implied there was an active claim.

The claim was declined ten months after it was made by Mr E. As all the information Admiral needed to progress or decline the claim was provided to it in November 2023, I don't think this was a reasonable timescale. There was an avoidable delay which was caused by Admiral. And the errors made in its communication with Mr E's representative reassured them there was not an issue. If the claim had been declined when the estimate had been submitted Mr E could have considered other options to progress repairs to the car.

Admiral accepted Mr E was misadvised when it authorised the invoice. It awarded £150 for the distress and inconvenience caused due to its error and a further £25 for the delay in progressing his complaint.

However, due to the avoidable delays in this claim, and the lack of clarity and misinformation provided by Admiral, I think the fair and reasonable outcome is for it to also settle the cost of the repairs undertaken.

Therefore, I uphold Mr E's complaint.

### **Putting things right**

I require Admiral to settle the cost of the repairs undertaken. I require it to pay the outstanding invoice of £2,884.56 to the repairing garage. This should be reduced by the £400 excess already paid by Mr E direct to the garage.

### **My final decision**

For the reasons I have given I uphold this complaint.

I require Admiral Insurance (Gibraltar) Limited to settle the invoice from the garage that undertook the repairs. A total of £2,484.56.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 24 March 2025.

Sally-Ann Harding  
**Ombudsman**