

The complaint

Miss D is unhappy with how Admiral Insurance (Gibraltar) Limited (Admiral) handled a claim made on her motor insurance policy.

Any references to Admiral include its agents.

What happened

In October 2023, Miss D's car was involved in an accident with a third party. Miss D told Admiral about the accident and paid her excess. Eventually, the third-party insurer admitted liability and returned the excess payment to Admiral, but this wasn't refunded to Miss D.

Miss D complained to Admiral. She said she was unhappy with the delay in receiving her excess back, the financial impact on her in relation to the delay in closing the claim and with Admiral's lack of response to her emails asking for updates. Admiral responded in June 2024. It accepted the handling of the claim fell below the standard Miss D should have expected. Admiral paid £80 compensation.

Unhappy with Admiral's response, Miss D referred her concerns to the Financial Ombudsman Service. They were considered by one of our investigators who said Admiral hadn't handled Miss D's claim appropriately. She said to put things right, Admiral should increase the compensation offered to £300, along with interest on the excess payment.

Admiral accepted this conclusion, but Miss D didn't. She said she'd continued to be impacted by Admiral's poor handling of the claim and that the claim remaining open was causing any new insurance quotes to be significantly higher than the premium she'd paid before the accident. Our investigator considered these points, but her view remained unchanged, so this case has 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.

First, I'd like to reassure both sides that while I've summarised the background to this complaint and submissions to us, I've carefully considered all that's been said and sent. In this decision though, I haven't commented on each point that's been made and nor do our rules require me to do so. Instead, I've focused on what I consider are the key issues.

Miss D has raised several complaints about Admiral's handling of her claim. In response to each of those complaints, Admiral issued final response letters. However, only one final response letter (dated 18 June 2024) was referred to us within the required timeframe that means we're able to consider those concerns.

Whilst I understand Miss D is very unhappy with several elements of Admiral's handling of her claim, the only timeframe I'm able to consider in this decision is between 19 March and 18 June 2024. This means I can't consider what Miss D is telling us about the continued

financial impact on her because of the claim remaining open. As our investigator has said, Miss D is able to complain to Admiral (or has already done so) she can refer any remaining concerns to this Service for investigation, subject to the usual requirements.

The excess

It's accepted by both sides that Admiral ought to have refunded Miss D's excess much sooner than it did. Admiral said it hadn't received back the full amount of its outlay from the third-party insurer and that's why it didn't refund the excess sooner. But as our investigator noted, Admiral didn't ask for a full refund from third-party insurer, they only asked for some of their costs. The third-party insurer asked Admiral to demonstrate it had incurred these costs.

However, I don't think it's fair this oversight delayed the excess being refunded to Miss D. I've reached the same conclusion as our investigator on this point and require Admiral to pay 8% simple interest per annum from two weeks after the excess was received by Admiral until the date it was paid to Miss D.

The claim remaining open

As I've noted, Admiral first asked for a refund of costs in January 2024, but didn't ask for the balance of its costs until May 2024, so there's a delay in the claim being resolved because of this delay. But, as the claim wasn't closed in the timeframe I can consider, it's not possible to entirely be certain of any impact the delay Admirals' oversight will have on Miss D.

Whilst I won't disclose the breakdown of costs being claimed for by Admiral, they include hire car costs, repairs, storage, and recovery. Like our investigator, I'm unable to comment on Miss D's view the costs increased because of poor quality repairs carried out by the first repairer as this was the subject of a separate complaint not referred to this Service in time for us to consider. Though I note Admiral has told this Service it decided to pay costs for the parts the first repairer ordered for the repairs but didn't end up using, but that repairs from the second repairer were included in the request to the third-party insurer.

Miss D says her the quotes she's received for subsequent insurance policies have been much higher because of the claim remaining open. In this respect, when the claim is closed Miss D can approach her subsequent insurer(s) and ask them to recalculate her premiums on the basis of a non-fault claim, rather than a fault claim being recorded.

I would also say that if not already doing so, Admiral ought to be taking steps to bring this matter to a close.

Admiral's handling of the claim

I've considered the handling of the claim and service provided by Admiral for the timeframe I'm able to consider. It's clear Admiral ought to have done better. There were several attempts made by Miss D to progress the claim which were overlooked by Admiral.

It's clear Miss D found the process frustrating and stressful, and Admiral's handling of the claim caused her avoidable distress and inconvenience. I'm satisfied the increased compensation amount of £300 is appropriate.

Putting things right

For the reasons I've set out above, I require Admiral to:

- Pay simple interest at 8% per annum from two weeks after the excess was received until the date it was refunded to Miss D *.
- Pay Miss D £300 compensation, less anything already paid.

If it hasn't already done so, Admiral Insurance (Gibraltar) Limited must pay the compensation within 28 days of the date on which we tell it Miss D accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the payment at 8% a year simple.

* If Admiral Insurance (Gibraltar) Limited considers that it's required by HM Revenue & Customs to deduct income tax from any interest paid, it should tell Miss D how much it's taken off. If requested, Admiral Insurance (Gibraltar) Limited should also provide Miss D with a certificate showing the amount deducted, so she can reclaim it from HM Revenue & Customs if appropriate.

My final decision

I uphold Miss D's complaint and order Admiral Insurance (Gibraltar) Limited to do what I've set out above in the "Putting things right" section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 7 April 2025.

Emma Hawkins
Ombudsman