

The complaint

Mr A complains about how Admiral Insurance (Gibraltar) Limited handled his claim on his motor insurance policy. He wants it to repair his car.

What happened

Mr A's car was damaged in an incident and Admiral recovered it for repairs. But Admiral found that the car had previous unrepaired damage and had been a previous write-off. It said it couldn't guarantee repairs caused by the incident, and so it offered Mr A cash instead of repairing his car. Mr A was unhappy with this, and that Admiral hadn't investigated warning lights that he said had come on after the incident.

Admiral said it had tried to investigate the warning lights without success. It paid Mr A £125 compensation for trouble and upset caused by this, its communication with him, and concerns about a hire car. It also offered Mr A £175 towards a new battery as his had died while he wasn't driving the car. But Mr A wanted his car repaired.

Our Investigator didn't recommend that the complaint should be upheld. He thought Admiral was entitled by the policy's terms and conditions to offer cash if it couldn't guarantee the repairs. He thought Admiral had provided a courtesy car outside the policy and it was taking reasonable steps to investigate the issue with the warning lights. And he thought Admiral's compensation for any trouble and upset caused was fair and reasonable.

Mr A replied that he hadn't known that the car was a previous write off. He said he didn't feel safe driving it. Mr A was unhappy with how Admiral had handled his claim, with the courtesy car provision and with delays in the claim.

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 A has explained his difficult personal circumstances, and I was sorry to hear about this. I can understand that the stress of having to make a claim on his policy has been an added burden for him at a difficult time. And I can understand that he feels frustrated with Admiral's handling of his claim.

Admiral made Mr A a cash in lieu offer instead of repairing his car as he wished it to do. Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably. Mr A's policy booklet says on page 10:

"We will decide how to settle your claim and will either pay:

- to repair your vehicle*
- a cash sum to replace the damaged vehicle.*

If we give you a cash sum, the most we will pay is the market value of the vehicle. Should we deem your vehicle repairable but are unable to complete or guarantee the repairs, we will offer you a cash sum to cover reasonable costs of parts and labour."

Admiral's engineer's report states that the car had unrepaired previous damage. Admiral wasn't required by the policy to repair this. It couldn't then complete or guarantee repairs. And so I think it reasonably offered Mr A cash in lieu, based on the estimate in its engineer's report. And I'm satisfied that this was fair and reasonable and in keeping with the policy's terms and conditions and I don't require Admiral to repair Mr A's car.

Mr A said the car's warning lights came on after the incident. And I can see that Admiral tried to collect his car to investigate this. But there were difficulties in making the arrangement with the garage and in communicating with Mr A. And so the investigation was cancelled.

Admiral agreed that it took some responsibility for this. I can see that there have been delays in the claim as Admiral has tried to carry out the diagnostic test. And it paid Mr A £125 compensation for the trouble and upset caused.

I think that's fair and reasonable as it's in keeping with our published guidance for the impact of its errors. And from what I can understand, Admiral is still trying to arrange for the warnings to be investigated. If a diagnostic report shows that the fault was due to the incident, then I would expect Admiral to investigate this further.

Mr A complained that his car's battery had gone flat while he wasn't using it. Admiral responded that Mr A's car had suffered cosmetic damage in the incident and so it was driveable. But it offered, as a gesture of goodwill, £175 towards the cost of a replacement battery. I think this is fair and reasonable compensation to put things right for Mr A.

Mr A's policy provides for a courtesy car whilst his is being repaired. And I can see that Admiral provided a car up to the point where it decided to offer cash instead of repairs, which I'm satisfied meets the policy terms. And it then extended the hire while it investigated Mr A's complaints. There were communication issues about returning the car. But as Admiral had provided a car outside the policy's terms and conditions, I think the above compensation reasonably reflects the impact on Mr A.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 14 April 2025.

Phillip Berechree
Ombudsman