

The complaint

Ms S complains about how Admiral Insurance (Gibraltar) Limited handled a claim made on her motor insurance policy following the theft of her car.

What happened

Ms S's car was stolen, and she reported this to Admiral and the police. She said Admiral told her that a claim wouldn't be accepted as she'd left a key with the car, and so she didn't make a claim. The car was later recovered by the police. Admiral collected the car and deemed it to be a Category B total loss. The car was scrapped before Ms S had a chance to collect it from the salvage agent. Admiral then said she could make a claim on her policy.

After Ms S complained, Admiral agreed it had made errors and communicated poorly with her. Admiral said it had prematurely disposed of Ms S's car as she hadn't made a claim. It had given her incorrect information about the claim and unclear information about whether she could retain her car. Admiral said it would cover the recovery and storage costs and it offered Ms S £300 compensation for her trouble and upset and £25 for its late response to her complaint. Admiral said Ms S could now make a claim for the loss of her car. But Ms S remained unhappy.

Our Investigator didn't recommend that the complaint should be upheld. She thought Admiral had assessed the car as a Category B total loss and this meant that it couldn't be returned to Ms S. But she thought Admiral should have explained this better. She thought Admiral's valuation of the car's market value was fair. She didn't see evidence that Admiral had told Ms S that she couldn't make a claim. She thought Admiral had given Ms S confusing information about the storage costs. And she thought Admiral's compensation offer for poor communication and misleading information was fair and reasonable.

Ms S replied that she'd been told she couldn't make a claim due to the keys being left in the car. But then Admiral had asked her if she wanted to make a claim. She said she hadn't been provided with evidence to show that her car was beyond economical repair and hadn't been allowed to obtain a second opinion. She said she hadn't agreed for the car to be scrapped. She said she hadn't had any payment for the loss of her car.

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 was sorry to learn that Ms S has been unwell. I hope she makes a speedy recovery. I can see that this matter has been drawn out and Admiral's communications have been confusing. Ms S is clear that she didn't want to make a fraudulent claim. And I have no doubt that she is an honest and responsible person.

Ms S has raised concerns about the roadside assistance service that attended her car when her battery was flat. But I can't consider that here as it's a separate business to Admiral.

I think Ms S's main concerns are about the information she was given by Admiral about making a claim, that her car was scrapped without her consent, and she hasn't been paid a settlement for its loss. I can understand that this has been an annoying experience for her.

Admiral agrees that it made errors. And I've looked at the claim journey to see how these arose and how they were redressed.

Ms S said that when she first notified Admiral about the theft of her car she was told that a claim wouldn't be covered and so she didn't then make a claim. I've listened to this call, and I didn't hear Admiral tell Ms S this.

In the call, Ms S was upset about the theft. Ms S explained when she last saw her car. She said she had seen suspicious persons around and had put a steering lock on the car after she'd had the car jump started. Ms S explained that there may be CCTV footage available. Ms S said she had her car's keys. The agent explained that he would provide Ms S with her car's market value. Ms S said she had left the car locked.

The next day, Admiral called Ms S again to collect further information. Ms S then mentioned that she had left the keys in the car. And she later explained she recalled leaving the car with the roadside assistance service whilst the battery was charging, and later found the car unattended and a key was missing. Admiral considered this and the circumstances, and, from its file, mentioned the keys in car policy exclusion, but it didn't decline the claim.

Ms S then emailed Admiral saying that she didn't want to claim because of the way her car had been stolen and she was looking for other ways to cover her loss. And I've seen from Admiral's file and its email to Ms S that it reiterated that she was entitled to make a claim on her policy.

The car was then recovered by the police and Admiral collected it. Ms S was unhappy that she wasn't informed about this at the time. But I can't hold Admiral responsible for the police contacting Admiral as the car's insurer.

The car was recovered to Admiral's salvage agent which assessed the car as a Category B total loss. This was later confirmed by Admiral's engineers. We're not engineers. We don't assess the extent of damage caused to a vehicle as this is a matter for the experts in these situations, the insurance companies and engineers.

Our role in these complaints is to determine whether an insurance company has considered all the available evidence and whether it can justify its decision about repairs. And I'm satisfied that Admiral has justified its decision as it relied on its engineers' assessments.

Ms S wanted to get a second opinion about whether the car could be repaired. But Admiral misunderstood her request and thought she wanted an opinion on whether the car was a Category A or B total loss. But I can't see that this error caused Ms S any loss as once the category had been placed on the car it couldn't be returned to her unless she had means to break it up and dispose of the parts. The car could never be put back on the road due to safety concerns.

Admiral said Ms S agreed in a call that it could dispose of her car. But it couldn't locate this call and I can't see this noted in its file. So I can't say whether or not Ms S did agree this. But I note that Ms S was adamant from the initial call with Admiral that her car was of great value to her, and I think she would want to retain it if possible.

Admiral then made a further error when it told Ms S that it had paid her claim, which it hadn't. And then it allowed its agent to dispose of her car. Our approach is that when a car is "written off" and deemed a total loss under a motor insurance policy, as Ms S's car was, the insurer, in this case Admiral, becomes the owner of the salvage only after the consumer accepts payment of the car's full market value.

Our stance is that if the consumer asks to keep the salvage, we expect the insurer to allow this. The car is, after all, the consumer's property and they should have the right to keep it if

they wish to do so. However, in that event, the insurer is entitled to deduct from its settlement offer what it would have been able to sell the salvage for.

However, in the case of Category B total loss, as I've said above, the car can only be returned to the consumer if they have the means to break it up and dispose of the parts safely. And I haven't seen any evidence that Ms S would be able to do this. So the car would have been disposed of in any case and so the outcome would have been the same.

But I think that in this, and its other communication Admiral could have been clearer and should have better managed Ms S's expectations. It had also led Ms S to believe that she would be responsible for the storage and recovery costs when this wasn't correct. Admiral paid Ms S £300 compensation for these errors. And I'm satisfied that this was in keeping with our published guidance for the impact of its errors. And I don't require Admiral to increase this.

However, Admiral has repeated that Ms S is entitled to make a claim on her policy for her car's total loss. Or, if she prefers not to make a claim, it will pay her the car's salvage value. I can understand that Ms S is concerned that this wouldn't be possible as the policy was cancelled, and she no longer has the car. But I can reassure her that Admiral has agreed to pay her the car's pre-theft market value if she were to make a claim. And I think it's for Ms S to contact Admiral if she wishes to do this or to be paid the car's salvage value.

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 Ms S to accept or reject my decision before 22 April 2025.

Phillip Berechree
Ombudsman