

The complaint

Mr S complains Admiral Insurance (Gibraltar) Limited (Admiral) unfairly declined to settle his claim on his motor insurance policy.

Admiral are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As Admiral have accepted it is accountable for the actions of the intermediary, in my decision, any reference to Admiral includes the actions of the intermediary.

What happened

Mr S made a claim on his motor insurance policy after his sunroof was damaged when he tried to open it.

Admiral accepted his claim, and the car was inspected by Admiral's approved repairer. Admiral told Mr S that due to the cost of the required repairs it would have to deal with his claim as a total loss. It told him it would organise collection of the car and send him the total loss valuation.

A few days later Admiral contacted Mr S and told him it could not deal with his claim. Mr S complained about this, and although Admiral didn't change its decision not to deal with his claim, it acknowledged the information it had provided to him initially wasn't correct and paid him £50 for any distress and inconvenience caused.

Because Mr S was not happy with Admiral, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and didn't think Mr S could've reasonably foreseen his actions would cause the damage that occurred, and Admiral should settle the claim as a total loss settlement in line with the policy conditions. They also said it should increase its offer of compensation to £150 for the way in which it handled his claim.

As 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.

The damage to the sunroof of Mr S's car was caused by the headrest from one of the back seats being left on the back parcel shelf of his car. He forgot about it being there and when opening the sunroof the headrest obstructed the sunroof and caused the damage.

On both 18 September 2024 and 21 September 2024 Admiral told Mr S his claim was progressing as a total loss and it was in the process of providing a total loss settlement valuation. There was no indication there may be an issue at this stage.

When Admiral then decided to decline the claim, it said the reason was because it was an *object inside and not outside of his car that had caused damage*. After Mr S contested this it wrote to him in November 2024 and gave a different reason. It said it had declined his claim because it was a manufacturing issue. Then when Mr S brought his complaint to our service it gave us another different reason. It said there was a lack of care taken.

Admiral accepts it wasn't correct to say the incident was caused by a manufacturing issue. It referred to a term in the policy that says;

"General conditions Section 3

Care of your vehicle - You and any other insured person must: protect your vehicle from loss or damage."

Admiral said it was Mr S's responsibility to check if there were any obstructions that would prevent the electric sunroof being able to open and he didn't do this which resulted in the headrest being the sole contributing factor that caused the damage.

Although I acknowledge Admiral's reference to this term in the policy, it had already declined the claim and given other reasons for rejecting it, before the complaint was brought to our service and its declination of the claim referred to this term.

I considered this third reason for the decline. There is no clear explanation as to exactly what the policy term means. I consider it to mean the policy holder is expected to take reasonable care not to damage their car. Considering the circumstances in this case, the damage happened due to the headrest being left on the parcel shelf which caused an obstruction which then caused the damage. I acknowledge Mr S said he had forgotten it was there but as it was a small item on the parcel shelf, which is commonly used to store things, I am not persuaded by forgetting to move it he didn't take care of his car. I don't think it is reasonable to think by leaving this item on a parcel shelf he could've expected this would cause the damage that occurred.

In addition to changing its mind and not settling Mr S's claim as it initially agreed to do, Admiral have continued to give variations of explanations as to why it declined this claim; the most recent reason being *it was a pre-existing issue that ultimately contributed to the incident*. The changes in explanations and reasons given by Admiral persuade me it wasn't certain of its reasons to decline the claim.

Having considered all of the available evidence I don't think Admiral have acted fairly in declining Mr S's claim and therefore, I uphold his complaint.

I require Admiral to settle Mr S's claim for the damage to his car as a total loss. I am aware Mr S has now sold the damaged car; therefore a deduction should be made for the salvage of it as per the terms of the policy. I also require it to pay him a total of £150 compensation for the poor level of service provided during the claims process which caused stress and inconvenience to him.

My final decision

For the reasons I have given I uphold this complaint.

I require Admiral Insurance (Gibraltar) Limited to;

- Settle Mr S's claim as a total loss settlement as per the terms of his policy.
- Pay Mr S £150 compensation; less anything already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 July 2025.

Sally-Ann Harding
Ombudsman