

## **The complaint**

Miss K complains about Admiral Insurance (Gibraltar) Limited's handling of a claim under a car insurance policy.

Admiral has been represented on the claim by its agents. For simplicity, at points, I've referred to the actions of Admiral's agents as being its own.

## **What happened**

Miss K had a car insurance policy with Admiral. In September 2023, her car was involved in an accident and she made a claim.

Admiral said the damage (to the front of the car) was repairable, but it was unable to obtain the parts required to complete the repair as they were on back order with the manufacturer. So Admiral paid Miss K cash in lieu (CIL) of repairs in September 2023 to settle her claim. Miss K raised concerns with Admiral about this settlement as she would be unable to obtain the parts herself to complete repairs.

In December 2023, Admiral agreed to reinstate Miss K's no claims bonus (NCB) so that it was unaffected by the claim.

In May 2024, at renewal, Miss K's policy excess increased from £60 to £300.

From around June 2024 onward, Miss K received various correspondence referencing different NCB years, based on her NCB being affected and unaffected.

Miss K complained to Admiral and in June 2024, it issued a complaint response. It accepted the NCB information was incorrect due to a system issue and this caused Miss K frustration. It maintained its decision to pay CIL as parts were not available and said its initial total loss suggestion was based on the damage Miss K initially reported. It said the excess increase was imposed by the insurer. It paid Miss K £200 compensation for the distress and inconvenience caused.

Miss K referred her complaint to the Financial Ombudsman Service. She remained unhappy with Admiral's error with the NCB and the incorrect information she received. She said she was unhappy about the increase in her compulsory excess and she felt the CIL was forced on her unfairly. She said the car had still not been repaired as parts were not available.

The Investigator didn't uphold the complaint. They said Admiral's initial total loss conclusion and subsequent CIL payment was fair. They didn't comment on the excess increase and they said overall, Admiral treated Miss K fairly and the £200 compensation it paid was fair.

Miss K didn't agree. She said she was left with a car that was still not repaired and she was unhappy with the excess increase. She said Admiral's actions caused her distress at a time she was dealing with health issues involving her mother.

I issued a provisional decision upholding this complaint and I said the following:

*"I should first set out that I acknowledge I've summarised Miss K's complaint in a lot less detail than she has presented it. Miss K has raised a number of reasons about why she's unhappy with Admiral. I've not commented on each and every point she's raised but, instead I've focused on what I consider to be the key points I need to think about. I don't mean any discourtesy by this, but it simply reflects the informal nature of this service. I assure Miss K, however, that I have read and considered everything she's provided.*

*I've also not considered the complaint points Miss K raised that were considered under other complaints, including Admiral's liability decision.*

#### *Cash in lieu of repairs*

*The terms of the policy say Admiral can repair Miss K's car with similar standard and quality parts that may not be produced or supplied by the car's manufacturer. The terms also say they may be recycled parts and if parts are no longer available, Admiral will pay the cost of the parts together with reasonable fitting costs.*

*Miss K is unhappy with Admiral's decision to pay CIL of repairs, and she's consistently said she's unable to use this money to complete repairs as parts are not available. Given that Admiral's decision was based on parts not being available, I'm persuaded that Miss K has been unable to obtain the parts as well.*

*Admiral decided to pay CIL of repairs because the parts it needed to complete repairs were not available. And as Admiral has accepted it is difficult to obtain the parts, I don't think it's fair to expect Miss K to try and obtain them if Admiral can't. And I can't see evidence to show Admiral explored other options such as parts produced or supplied by a party other than the car's manufacturer, or recycled parts. So I don't think Admiral considered all reasonable options in line with the policy terms, before it insisted on CIL of repairs, despite Miss K's concerns. It follows that I don't consider Admiral acted fairly in settling the claim by paying CIL of repairs.*

*In the circumstances, I think Admiral should deal with and settle Miss K's claim as a total loss, in line with the policy terms, and based on the market value of the car at the date of loss. Admiral can deduct from this amount what it already paid Miss K under the CIL settlement. And because Miss K was unfairly without this amount, I think Admiral should add interest to the difference, from the date it paid Miss K the CIL settlement.*

#### *Total loss decision*

*Part of Miss K's concerns are about Admiral's initial suggestion the car would be deemed a total loss. But given that Admiral concluded the car was repairable within a few weeks following the date of loss, I'm not persuaded that this would've had a significant impact on Miss K. As outlined above, I think the main impact of Admiral's actions were based on its decision to unfairly pay a CIL settlement, without exploring all reasonable options.*

*In any case, I don't think Admiral acted unfairly in using the information Miss K provided and initially relying on the automated warning of a likely total loss.*

#### *Compulsory excess increase*

*Miss K's compulsory policy excess initially increased in 2024 from £60 to £300.*

*The Investigator didn't comment on this point, and while we wouldn't usually comment on a business' commercial decisions, we would still need to be satisfied Admiral hasn't treated Miss K differently to other customers in the same circumstances. We'd also need to be*

*satisfied there was no error.*

*Admiral provided commercially sensitive information, which I'm not able to share with Miss K. This shows how Miss K's new compulsory excess was calculated, based on the new structure Admiral moved all its existing customers to in 2024. And having reviewed this, I'm satisfied that the increase in excess Miss K saw is the same as other customers in the same position, and I've not seen evidence of any error in how it was calculated.*

*So for the reasons outlined above, I don't consider Admiral acted unfairly in applying an increase to Miss K's policy excess, when it renewed in 2024.*

*NCB not recorded correctly and incorrect details in communications*

*Admiral accepts there was an error in how Miss K's NCB was recorded, even after it agreed it would allow her NCB. And having reviewed the evidence, I'm satisfied this error led to Miss K receiving a number of communications from Admiral, quoting different NCB amounts. I think this would've caused Miss K avoidable frustration, distress and inconvenience, but I consider the £200 compensation Admiral paid her is fair and reasonable in the circumstances.*

*But because I consider Admiral's decision to pay CIL of repairs was unfair, I think this meant Miss K was left unfairly having to drive a car with obvious damage to the front, albeit it was still driveable. I think this would've caused Miss K additional distress, inconvenience and frustration over a long period of time, including during an already distressing period where she was dealing with health issues involving her mother. So for this reason, I think Admiral should pay Miss K a further £250 compensation."*

### **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.

Miss K accepted my provisional decision. Admiral didn't respond. So I don't have any reason to change the outcome I proposed in my provisional decision.

### **My final decision**

My final decision is that I uphold this complaint.

I require Admiral Insurance (Gibraltar) Limited to:

- Settle Miss K's claim as a total loss, in line with the policy terms, based on the market value of the car at the date of loss, less the amount it already paid Miss K to settle her claim.
- On the difference, add interest at the rate of 8% simple per year, from the date it paid Miss K the cash in lieu settlement, to the date of payment.\*
- Pay Miss K a further £250 compensation.

\* If Admiral considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss K how much it's taken off. It should also give Miss K a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 22 May 2025.

Monjur Alam  
**Ombudsman**