

## **The complaint**

Mr M complains that Admiral Insurance (Gibraltar) Limited ('Admiral') made it difficult for him to receive a fair settlement after making a claim on his home insurance policy.

## **What happened**

In July 2024, Mr M's home unfortunately suffered damage caused by an electrical fire which started in his garage. So, he contacted Admiral to make a claim on his home insurance policy.

Admiral investigated the claim, but disagreements arose over several costs including the cost for replacing a boiler, redecorating walls and a ceiling, carpets and underlay, and a bike rack in the garage.

Admiral subsequently decided to increase the settlement on parts of the claim. But Mr M complained that by pushing back, delaying things and refusing to pay what he thought were fair quotes, Admiral had made it unfairly challenging for him to receive a fair settlement.

Admiral provided a final response to this complaint on 9 October 2024. It accepted the disputes around costs could have been handled better and some unnecessary distress and inconvenience was caused to Mr M. In addition to which it acknowledged there were communication issues including responses not being given to enquiries Mr M had made. In recognition of this, it agreed to pay Mr M £300 compensation.

In addition to the above, Admiral also acknowledged Mr M had been without a working boiler since July and said it was considering further the repair cost. In the interim, it offered to cover the cost of Mr M getting electrical heaters if he wanted to, and the additional electricity costs these would cause. In November 2024, Admiral subsequently agreed to cover the cost of a replacement boiler in line with Mr M's quote.

Mr M was dissatisfied with Admiral's final response. So, he brought his complaint to us. Our investigator thought Mr M had been affected over several months because of the disputes around the claim value and this would have been very distressing for Mr M due to him suffering PTSD. The investigator didn't think £300 compensation was enough and recommended Admiral pay Mr M a further £200.

Admiral accepted the investigator's recommendation. But Mr M did not. Mr M said he didn't think a total of £500 compensation fairly reflected the impact caused to him, in particular the psychological distress caused by the drawn-out dispute on the claim retriggering his trauma.

Because Mr M didn't agree, the complaint was referred 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.

Having done so, I've decided to uphold Mr M's complaint. I'll explain why.

Mr M explained that his concern wasn't with the final settlement he received on the claim but with the unnecessarily stressful process in reaching that settlement. Admiral didn't dispute that the claim could have been handled more effectively, and it agreed to pay Mr M £300 compensation for the distress and inconvenience it caused to him. Admiral subsequently agreed to increase this amount to £500 on the recommendation of our investigator, but Mr M didn't find that amount to be fair and reasonable for the impact he was caused. So, I've considered what the fair and reasonable redress would be for the distress and inconvenience caused to Mr M.

I sympathise that the inevitable consequences caused by the fire itself would already have caused Mr M a great deal of upset and disruption. Admiral can't be held at fault for that, but it should have dealt with Mr M's claim fairly including by not making unreasonable deductions from the settlement, progressing the claim in a timely manner, and responding to queries that Mr M had. And if it didn't, then I can award compensation for the distress and inconvenience which was caused as a result.

It may be helpful if I explain that we're not a regulator. We don't fine or punish businesses when something has gone wrong, nor is that something we have powers to do. So, any award I may make for compensation for distress and inconvenience caused isn't intended to penalise Admiral but instead is intended to fairly recognise the impact caused to Mr M by its poor handling of his claim.

It isn't unusual for there to be some discussion between an insurer and the insured on home insurance claims to agree on a settlement. By itself I wouldn't consider that unreasonable providing that there were reasonable grounds an insurer initially may have had to propose a deduction to a settlement or to omit something from a claim, and providing any disputes raised were investigated fairly and within reasonable timescales.

But I don't think that was the case here. In its final response to the complaint Admiral said much of the dispute around costs could have been avoided with some common sense and acknowledged that there were instances where Mr M did not receive a response. I consider it likely that this unnecessarily prolonged the claim and required more engagement from Mr M with Admiral than would otherwise have been necessary for him to reach a fair settlement. I don't doubt the distress this caused to Mr M would have been exacerbated by his PTSD.

However, having considered the impact, including taking account of Mr M's circumstances, and the timeline of events, while I appreciate this amount is less than Mr M was hoping for, I think that a total of £500 compensation for the distress and inconvenience which was caused is fair and reasonable and in line with our award levels. So, I've reached the same conclusion as the investigator that to put things right, Admiral should pay Mr M an additional £200.

### **Putting things right**

I require Admiral to pay Mr M the £300 compensation it offered in its final response, if it has not done so already. In addition to this, I require Admiral to pay Mr M a further £200 compensation to bring the total amount of compensation for this complaint to £500.

**My final decision**

My final decision is that I uphold this complaint, and I require Admiral Insurance (Gibraltar) Limited to carry out what I've set out in the 'Putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 June 2025.

Daniel Tinkler  
**Ombudsman**