

The complaint

Mr A and Ms S complain about Admiral Insurance (Gibraltar) Limited's handling of a claim under a home insurance policy.

What happened

Mr A and Ms S had a home insurance policy with Admiral. In December 2022, there was a leak from pipework in their roof, causing damage. They made a claim with Admiral.

Admiral provided cover for, and payments associated with, alternative accommodation (AA), while it arranged strip out, drying and reinstatement works at the property.

From June 2023 onward, Mr A and Ms S consistently raised concerns with Admiral about mould in the property, notifying Admiral of Ms S's specific health conditions. This was after the property had been declared dry. They were concerned about mould still being present behind walls at the property, including newly plastered walls.

In August 2023, Admiral arranged for an agent, that I'll refer to as R, to inspect the mould. Following this, some further walls were stripped out at the property.

Mr A and Ms S moved back into their property in February 2024. From then on, they again notified Admiral of mould in the property, particularly the downstairs area and the living room. They also raised concerns with other works Admiral's agents had completed.

In June 2024, Admiral arranged for another agent, that I'll refer to as M, to inspect the property. M recommended further investigations, which they carried out in July 2024. M found mould in cavities and surfaces of internal walls that hadn't been removed, or replaced, as part of the strip out or reinstatement works.

In August 2024, Admiral arranged a further inspection, by an agent that I'll refer to as I. I said the mould was inconsequential.

Mr A and Ms S complained to Admiral about the delays, the handling of the mould issue and the conduct of Admiral's agents.

Admiral issued a complaint response in September 2024. It accepted it was responsible for delays in handling Mr A and Ms S's concerns, and in reaching a decision. It also accepted there was poor service from its agents. It paid them £550 compensation. But Admiral didn't accept the mould in the living room was a result of the leak – it said it could be because of other unrelated reasons. It didn't agree to strip out the affected area.

Following this, R carried out a further inspection and report. In January 2025, R said there had been saturation over the winter period, causing the structural integrity of the plasterboard to be lost. It recommended plasterboard in the lounge area walls be removed.

Mr A and Ms S also submitted a lengthy and detailed letter to Admiral, outlining their objections to its refusal to strip out the living room. This included supporting evidence from agents that had inspected the property. They outlined the impact of Admiral's refusal and

actions, as they had been living in a property with mould since February 2024 and had been living upstairs with limited furniture. They said Admiral didn't take their earlier concerns seriously and they had to push consistently for further action. They also raised concerns with Admiral's AA systems and the delayed settlement.

Admiral accepted R's recent report supported the concerns Mr A and Ms S raised in 2023, and that the affected plasterboard should have been removed as part of the initial strip out.

Admiral issued a complaint response in February 2025. It upheld Mr A and Ms S's complaint and sent them a further £2,500 compensation. It agreed to send outstanding payments with interest, to acknowledge delays and to address the mould issue as a priority. Admiral said it couldn't determine if mould directly contributed to the health conditions Mr A and Ms S reported. But it accepted its actions caused them severe disruption and upset, as they were unable to use the living room, and had to live upstairs with limited space and a new baby.

Mr A and Ms S remained unhappy. They said all the onus was on them to provide proof, despite the existing evidence. They said there were potentially long-term health impacts and they'd all been impacted in different ways. They said fair compensation was far higher than Admiral had paid, and they were expecting between £8,000 to £10,000.

The Investigator reviewed the complaint for events up to Admiral's complaint response in February 2025. They said Admiral had caused delays on the claim, and it hadn't responded appropriately, despite the concerns Mr A and Ms S raised throughout the claim, about the mould and the repairs. They agreed this caused Mr A and Ms S severe disruption to their daily life. But they said the compensation Admiral had paid was in line with the Financial Ombudsman Service's approach in the circumstances.

Mr A and Ms S didn't agree. They didn't agree the outcome captured the extent of Admiral's failings. They said they had led on the progress of the claim and Admiral's agents had been obstructive and caused delay. They said the living conditions had exacerbated Ms S's symptoms and the long-term impact on them couldn't be ruled out.

Because the complaint couldn't be resolved, it's been passed 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.

Firstly, I'd like to express my empathy for Mr A and Ms S's situation. It's clear that they've been through an extremely difficult time which has, understandably, had a severe impact on them. In reaching my decision, I don't wish in any way to downplay or disregard what happened to Mr A and Ms S. I have no doubt what has happened to them has been truly distressing. And I have no doubt the impact of Admiral's actions and errors made an already difficult situation unacceptably worse.

But I have to consider the impact of Admiral's actions on Mr A and Ms S, in line with the Financial Ombudsman Service's approach. In the circumstances of this complaint, I've considered fair compensation, taking into account all the information we've been provided. As an informal service, it's not practical for us to keep complaints open indefinitely. And because I'm satisfied I have the information I need to reach a conclusion; I've proceeded with my decision.

As outlined by the Investigator, this complaint will deal with matters up to Admiral's complaint response in February 2025. I understand Mr A and Ms S have concerns about out-of-pocket

expenses and actions since Admiral's complaint response. If Mr A and Ms S are unhappy with these or other matters, they can raise this directly with Admiral as a new complaint.

I acknowledge I've summarised Mr A and Ms S's complaint in a lot less detail than they've presented it. Mr A and Ms S have raised a number of reasons about why they're unhappy with Admiral. I've not commented on each and every point they've raised but, instead I've focussed 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 Mr A and Ms S, however, that I have read and considered everything they've provided.

I don't consider there is a dispute over the key facts. Admiral and Mr A and Ms S agree that Admiral failed to address their early concerns about the mould, and the plasterboard on the walls downstairs should have been removed as part of the initial strip out. Admiral also accepts it didn't act on the conclusions in the reports from 2023 and 2024, instead causing delay by appointing a further agent (I). In addition to the above, Admiral also accepts:

- Its agent caused delay in the drying of the property.
- It didn't give Mr A and Ms S's concerns the time and attention required.
- It incorrectly assessed the issue of the mould, and it recognises the severe impact on Mr A and Ms S's daily lives for a considerable amount of time, as they had to live upstairs, including with a new baby.
- Its contractor ought not to have carried out replastering without heating.
- Its agents have been dismissive of Mr A and Ms S's circumstances and failed to take their concerns on board, and address them, as expected.
- There has been poor communication, management and lack of professionalism. Mr A and Ms S had to chase matters to ensure progress on the claim.
- There were delays in funds being paid to Mr A and Ms S.

The above is supported by the evidence I've seen. And I agree with Mr A and Ms S that they've effectively led on inspections and works arranged on the claim. I've kept all of this in mind. Overall, I consider Admiral has failed in its duties under the rules that apply.

I'll start by noting that in these circumstances, it's impossible for Admiral to put right the mistakes it made. The impact on Mr A and Ms S of having to live in their home, in a restricted manner, before and after the birth of their child, with mould to parts of their home, since February 2024, can't now be undone. When something like this happens, it's very difficult to 'put a price' on the distress and impact caused.

I've reviewed Mr A and Ms S's submissions, and they are understandably upset. They've explained the impact of Admiral's actions in great detail, including the need for counselling, the risk to their health in their circumstances and the impact on their family, including the development of their newborn child.

Mr A and Ms S provided evidence from medical practitioners, which show mould in their home could be problematic for their health and health issues affecting their child, that may be in keeping with the issues at their home. But looking at this information independently, I can't see there's clear or express confirmation that the mould, as present in their home, did directly cause any specific health problem. And because Mr A and Ms S made it clear they lived upstairs (avoiding the areas of mould), I'm unable to conclude on balance, that the

mould caused a lasting impact on their physical health, or any personal injury.

But I do accept that having to live with genuine concern for their health, and in a smaller part of their home, with restricted furniture, would have had a severe impact on their daily life, causing them extreme distress and inconvenience. I also acknowledge the evidence provided, to show Mr H reported his appetite and intake significantly reduced, due to stress caused by his living conditions.

When considering an award for distress and inconvenience, I've thought very carefully about everything Mr A and Ms S have told us about how Admiral's actions impacted them. And I've taken into account the Financial Ombudsman Service's usual approach to distress and inconvenience awards. And having done so, I find that the £3,050 compensation Admiral has already paid Mr A and Ms S, is fair in the circumstances.

There's no doubt that Admiral's actions have had, and will have, a long-lasting impact on Mr A and Ms S. I'm also aware that their mental health has suffered as a result. And the reality here is there isn't really any amount of compensation that can undo any of this. The Financial Ombudsman Service's general approach is that where a business's mistakes have caused sustained distress, potentially affecting health, and severe disruption to daily life, lasting more than a year, with some ongoing or lasting effects, an award in the range of what Admiral has offered might be appropriate. I agree that the impact on Mr A and Ms S falls within this category, so I consider the compensation Admiral has paid is fair.

I do though, only find that what Admiral has paid, is fair in compensating Mr A and Ms S for the distress, inconvenience and impact as outlined above. Any financial losses they may have incurred, as a result of Admiral's actions, will need to be raised and considered separately.

I know this isn't the outcome Mr A and Ms S were hoping for. And I'm sorry if they feel disappointed by the decision. However, based on everything I've seen, I find that the £3,050 Admiral has already paid Mr A and Ms S is fair. So I won't direct it to pay anything else.

My final decision

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 and Ms S to accept or reject my decision before 9 July 2025.

Monjur Alam
Ombudsman