DRN-5574361

The complaint

Mr S is unhappy with the way Admiral Insurance (Gibraltar) Limited settled his complaint about repairs. Mr S says a previous repairer caused further damage when he made a claim under his car insurance policy.

What happened

Mr S made a claim to his insurer Admiral for repairs to his vehicle following a fire. When his vehicle was returned to him, Mr S said the repairer had caused further damage. Admiral agreed to consider an estimate for repairs. For the distress and inconvenience caused by failing to manage Mr S's expectations and delays in repairing his vehicle, Admiral paid Mr S £150 compensation.

Mr S provide an estimate to replace a number of parts to his vehicle. The estimate came to £7,495.68 including VAT and labour costs.

Admiral rejected the full costs on the estimate. It said the damage to Mr S's vehicle was minor, cosmetic and could be put down to being caused by wear and tear. It said a specialist garage could repair the damaged door trim and dashboard.

Admiral agreed to pay Mr S a cash settlement of £2,115.56 including VAT to represent the costs its engineer calculated to repair the damaged areas Mr S claimed for.

In February 2025 Mr S remained unhappy and asked us to look at his complaint. He said the cash settlement Admiral paid wasn't enough. He said he intended to sell the vehicle but would get less for it due to the damage which he doesn't agree was caused by wear and tear.

Admiral said it would increase the compensation it paid by a further £150, but said the cash settlement it had paid was reached in a fair way. It said there was nothing to show the damage had been caused by the previous repairer – but it gave the benefit of the doubt to resolve the complaint.

One of our Investigators thought Admiral had acted reasonably. He found that Admiral's engineer had provided sound reasons why it decided on a cash settlement which was lower than the estimate provided by Mr S. The Investigator recommended Admiral pay a further £150 compensation as offered for the distress and inconvenience caused by its poor service during the handling of the claim.

Mr S didn't agree. In summary he says a specialist has already tried to repair rather than replace the key parts of his car. He doesn't agree the damage was caused by wear and tear, but by the previous repairer when carrying out repairs to the electrics inside the vehicle.

Mr S says he is having to sell the vehicle for less due to the damaged areas and the fact that the vehicle is now over a year older than when he made his claim.

So the case has 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.

I’ve looked at the photos provided by Mr S. I appreciate that there are no photos of the interior of the vehicle before repairs were carried out – as Mr S says there would have been no reason for him to do this. The damage was underneath the car due to a fire and this is the area he took photos of.

However, I have to rely on reasonable evidence in order to conclude if an insurer has acted in a fair way. In this case, I think the photos provided of the damage Mr S is claiming for could certainly be deemed as wear and tear for a vehicle which is seven years old and with almost 100,000 miles.

I understand Mr S doesn’t agree it is possible for a specialist to repair the door trim as he says a specialist company has already tried. But I’ve looked at the dealership garage estimate. This is to replace significant parts of the front interior of the car and doors. The damage from the photos is small and cosmetic. Mr S says when the glove box closes it has caused damage to the dashboard.

While Admiral has decided to accept that the previous repairer may have caused damage, it says the estimate is disproportionate. And having considered all of the information, I agree. I’m not persuaded that Mr S’s vehicle required repairs to match the estimate provided in full for small areas of damage that could equally be deemed as wear and tear for a vehicle of this age and mileage. Or that the damage means Mr S has lost the equivalent of £7,495.68 on the value of the vehicle. I think it’s reasonable for a vehicle of this age and mileage to show some signs of wear and tear.

So I think Admiral’s offer to pay a cash settlement of £2,115.56 to Mr S to resolve his complaint is fair and reasonable. This is the cost provided by the motor trade’s known pricing model to replace the door trim and the dashboard.

I think Admiral’s offer to increase the compensation award it paid by a further £150 is fair and reasonable. Admiral failed to manage Mr S’s expectations when it discussed arranging repairs to his vehicle. It was agreed that a non-approved repairer would carry out the repairs – but Admiral failed to explain what difference this would make for Mr S compared to using an approved repairer. And Admiral accepts that the repairer could have caused some internal cosmetic damage to Mr S’s car.

Mr S says he has had to sell his car for significantly less than he intended to. It’s impossible for me to be able to say that Admiral’s handling of the claim directly contributed to the timing of when Mr S chose to sell his vehicle, and how much he received as a final selling price. There are many external factors which can affect the sale of a vehicle on the open market.

Overall I’m satisfied that Admiral properly considered Mr S’s complaint and has done enough to resolve it.

My final decision

My final decision is that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to pay Mr S a further £150 compensation for the distress and inconvenience it caused.

Admiral Insurance (Gibraltar) Limited must pay the compensation within 28 days of the date on which we tell it Mr S accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

If Admiral Insurance (Gibraltar) Limited considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr S how much it's taken off. It should also give Mr S a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 28 August 2025.

Geraldine Newbold
Ombudsman