

The complaint

Mr C complains about how Admiral Insurance (Gibraltar) Limited (Admiral) handled a claim under his motor insurance policy for damage to his vehicle in an accident. He says additional damage was caused to his vehicle while in the possession of Admiral's approved repairer and parts were swapped out of the vehicle, leading to additional repair costs.

Any reference to Admiral in this decision includes their agents.

This decision covers Mr C's complaint to this Service in January 2025, following Admiral's final response earlier that month. Admiral's response didn't cover the valuation of Mr C's vehicle, which Admiral deemed a total loss following the accident. So, this decision doesn't cover the valuation of Mr C's vehicle as a total loss, only the issues covered in Admiral's final response in January 2025.

What happened

In September 2024 Mr C was involved in an accident, causing damage to the front of his vehicle. He contacted Admiral to tell them about the accident and lodge a claim. Admiral appointed a repairer (V) to assess the damage. V inspected the vehicle and estimated repair of the damage would cost some £2,430. However, given the age and mileage of the vehicle, Admiral's estimate of its market value meant they deemed the vehicle to be uneconomical to repair and therefore a total loss.

However, Mr C said he only found out about Admiral's decision when the hire company through which he had been provided with a courtesy car while his vehicle was assessed, contacted him to say the vehicle had been deemed a total loss (so the courtesy car needed to be returned). Mr C also disagreed with Admiral's decision, saying his vehicle only needed a replacement front bumper, so shouldn't be deemed a total loss. After some discussion, Admiral returned the vehicle to Mr C, who arranged for his own garage (AJS) to inspect it.

But Admiral stood by their decision to deem the vehicle a total loss, based on a valuation of £3,456. They paid Mr C a total loss settlement of £2,583.92 which reflected the deduction of the policy excess (£250) and a salvage value of £622.08 for Mr C retaining the vehicle (the amount Admiral would have received had they retained the vehicle and disposed of it).

Mr C also wasn't happy with the condition of his vehicle when it was returned, saying there was additional damage and issues that weren't present before the accident and the vehicle being assessed by V (and the vehicle's most recent MOT test, just before the accident). This included damage to the bodywork, a cracked exhaust pipe, failure of the Diesel Particulate Filter (DPF) and what he thought was swapping out of the vehicle's heater and a tyre. There were also issues with glow plugs and the front of the engine was loose. Mr C said AJS supported his concerns about the additional damage and issues, for which he'd paid £2,410 to be repaired). So, he complained to Admiral.

Admiral didn't uphold the complaint. In their final response, issued in January 2025, they said they didn't see any errors in the service provided to Mr C. Their in-house engineers saw no evidence of any dismantling or stripping of Mr C's vehicle, nor additional damage. They

considered the work invoiced for to be general repairs and maintenance for a vehicle of the age and mileage of that of Mr C. The issues with the engine, DPF and exhaust looked to be the result of general wear and tear. The engineer could see no evidence of bodywork damage or tyres being swapped.

Mr C then complained to this Service. He said when he took his vehicle to AJS they'd told him a lot of parts had been changed, damaging the vehicle. He'd had to spend a significant sum (£2,410) to fix his vehicle, which he wanted Admiral to reimburse. He also wanted compensation for the stress and inconvenience he'd suffered.

Our investigator didn't uphold the complaint, concluding Admiral didn't need to take any action. He thought Admiral acted fairly in deeming the vehicle a total loss, as the policy provided for them to decide how to settle a claim, including whether to repair a vehicle or to deem it uneconomical to repair and therefore a total loss. On the issue of the additional damage and the costs Mr C said he'd incurred to fix the issues, the investigator wasn't persuaded he had shown the damage, and issues were the result of the accident or while the vehicle was with V. In any event, by settling the claim as a total loss, Admiral paid the market value of the vehicle, irrespective of any other damage or repairs subsequently undertaken.

Mr C disagreed with the investigator's view and asked that an Ombudsman review the complaint. He maintained the issues with the DPF, heater, exhaust and glow plugs weren't present before the accident, only appearing on the return of his vehicle. AJS supported his view. Nor was he informed of the total loss decision, only hearing about it through the hire car company.

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.

My role here is to decide whether Admiral have acted fairly towards Mr C. In doing so I have borne in mind what Mr C has told us about his circumstances, including his disability and vulnerability.

The key issue in Mr C's complaint is the additional damage he says occurred to his vehicle while with V for assessment, before it was returned to him. He says the damage to the DPF, exhaust and other issues weren't present at the time of the accident (the vehicle having passed its MOT test two days before). Admiral say there is no evidence to support the damage occurring from the accident or while the vehicle was assessed and the nature of the damage Mr C paid to be rectified was likely due to general maintenance and wear and tear for a vehicle of its age and mileage.

In considering the issues in Mr C's complaint, given the scope of this decision I set out earlier, I've first considered Admiral's decision to deem Mr C's vehicle a total loss. The policy provides for this, in *Section 2: Damage to your vehicle* and a sub-heading *What we will pay* it states:

"We will decide how to settle your claim and will either pay:

- *To repair your vehicle*
- *A cash sum to replace your damaged vehicle.*

If we give you a cash sum, the most we will pay is the market value of the vehicle. Should be deem your vehicle repairable but are unable to complete or guarantee the repairs, we will offer you a cash sum to cover reasonable costs of parts and labour."

This makes it clear the decision about whether a vehicle is repairable or whether it isn't, with a cash sum payable to replace the vehicle, is Admiral's to make.

In this case, Mr C's vehicle was inspected at V a couple of days after the accident. The report from V sets out a schedule of what repairs were considered necessary, including the cost of parts, labour, painting and other costs. The schedule of parts include those I'd expect to a vehicle with significant front bumper damage. As the report was based on an engineer's assessment following a physical inspection of the vehicle, I can't conclude it was unreasonable as an estimate of cost. Mr C disputes whether all the recommended repair work was necessary, but as V's estimate was produced by a qualified engineer and sets out a detailed schedule of the necessary work, costed, I can't conclude it was an unreasonable basis on which Admiral reached their decision.

The report also includes an indicative market value of the vehicle at the point of the accident (£2,301) which is less than the estimated cost of repairs. In the circumstances, it wasn't unreasonable for Admiral to conclude the vehicle was uneconomical to repair and therefore a total loss. The report also concludes the vehicle should be categorised as a 'Category N – Non-Structural Damage' total loss. Meaning it would be possible to repair the vehicle to a suitable standard and returned to the road – even if Admiral didn't consider it economical for them to repair the vehicle.

Admiral's claim notes record the decision to deem the vehicle a total loss, a few days after the accident, but also Mr C contacting them (ten days after the accident) to say he was unhappy he had found out the vehicle was deemed a total loss (which I presume was the call he says he had from the hire car company about taking back the courtesy vehicle). The claim notes also record a call in which Mr C disputes the decision to deem the vehicle a total loss, saying he has an estimate from his garage that is substantially less than the estimate from V. Admiral agree to review any such estimate and explain their decision to deem the vehicle a total loss. Admiral sent Mr C an email setting out the total loss decisions and also agree to return the vehicle back to Mr C for him to arrange inspection. While I think it was unfortunate Mr C learnt of Admiral's decision from the hire car company in the first instance, I don't think that invalidates their decision, which they clarified shortly afterwards.

The claim notes indicate Admiral's in-house engineer reviews the decision but maintains the vehicle should be deemed a Category N total loss. But they agree to provide a courtesy vehicle while the claim is settled, until after a total loss payment is made. This reflects Mr C's circumstances and vulnerability, which I think was fair and reasonable in the circumstances. After further review, I can see reference in the claim notes to Mr C accepting the total loss settlement offered (including the deductions) at the beginning of November 2024. I can see the courtesy vehicle was provided until a few days after the total loss settlement. Which I also think reasonable in the circumstances.

The second issue is the damage Mr C says occurred to his vehicle that wasn't present before the accident, so was either caused by the accident or occurred whilst the vehicle was with V, before being returned to him. Mr C believes parts were swapped out of the vehicle. He points to repair costs (invoices) for repair work at his garage (S) in November and December 2024, totalling £2,410. Mr C has also provided a copy of a report from AJS following the return of his vehicle in October 2024. The report includes the following statement:

"When the vehicle arrived, we observed the following issues:

- *The cabin heater was not functioning.*
- *Diagnostic scans revealed faults relating to the Diesel Particulate Filter (DPF), including soot accumulation and pressure sensor issues.*

- *The DPF pressure pipe was faulty and required replacement.*
- *Glow plugs were not operating correctly and were replaced.*
- *Multiple engine fault codes were present and were cleared after repairs.*

These issues were identified before any work was carried out by our team. We can confirm they were present when the vehicle arrived.”

Admiral were provided with copies of the invoices, which were reviewed by their in-house engineer, who concluded as follows:

“I see no evidence of any stripping or dismantling of the vehicle from the [V] images. Images have been taken outside in the yard at V and estimate has been sent over for review. The documents attached [from Mr C] show what looks to be invoices for various issues that I would consider general maintenance/repairs for a vehicle of this age and mileage [mileage figure]. The engine issues – DPF, glow plugs and exhaust all look to be general wear and tear. V would not have been involved with any issues with the engine of this vehicle. Also, I see no evidence of bodywork damage or tyres being swapped.”

Mr C has also provided a copy of his MOT certificate issued a few days before the accident, which included some advisory work but didn't mention any issues with the DPF, heater or exhaust.

Looking at the evidence available, I'm not persuaded the issues listed by Mr C, for which he paid £2,410 to rectify, clearly arose either from the accident or whilst the vehicle was with V. On the DPF, for example, AJS refer to soot accumulation, which I don't think likely to have been the result of the accident or the relatively short period the vehicle was with V (given the vehicle wasn't driveable due the front end damage). Similarly, that the heater didn't simply fail during the period or the glow plugs issue (again, given the vehicle wasn't driveable). Nor does the statement from AJS refer to the swapping out of parts or bodywork damage.

So, on balance, I've concluded it was reasonable for Admiral to decline to cover the cost of the work carried out by Mr C after the vehicle was returned to him. In any event, having made a total loss settlement, that was intended to pay Mr C the market value of his vehicle, to enable him to replace it. But it was Mr C's decision to retain the vehicle, for payment of the salvage value, with the intention of repairing it – which was his choice.

Taking all these points together, I'm not persuaded, on the balance of probabilities, that any additional damage was caused to the vehicle while it was in the possession of V. So, Admiral haven't acted unfairly or unreasonably and I won't be asking them to take any action.

Your text here

My final decision

For the reasons set out above, my final decision is that I don't uphold Mr C's complaint.

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

Paul King
Ombudsman