

The complaint

A company, which I'll refer to as "A" in this decision, and Mr C and complain about the way Admiral Insurance (Gibraltar) Limited ('Admiral') handled a claim they made on a motor insurance policy.

Mr C has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made, as those of "Mr C" throughout this decision.

What happened

The following is intended as a summary of key events only.

Mr C held a motor insurance policy underwritten by Admiral. He contacted them in October 2024 after his vehicle was hit by a swan. Admiral accepted the claim, and the vehicle was transported to a salvage yard for inspection and Mr C was provided with a replacement car.

However, Mr C said as a result of delays in the vehicle being inspected, maggots had formed due to the swan being left on the windshield. And he said Admiral chose to deem the vehicle a total loss rather than repairing it, due to health and safety concerns. Mr C raised a complaint as he was unhappy that Admiral had chosen not to repair and return the vehicle. And he said since he had received the total loss payment, the vehicle had been returned and somebody had tried to charge it using his account details, which were stored to the vehicle.

Admiral considered the complaint and upheld parts of it. They said they had fairly deemed the vehicle a total loss and paid a settlement of £28,105.67 to Mr C's lease provider. And they said once the vehicle was sold to a salvage company, they had no further involvement in anything that happened after this. Admiral also said it was Mr C's responsibility to remove any payment details from her account. But they did agree that there had been a delay in the time taken to assess the vehicle and deem it a total loss. But they said there was no proof this delay had contributed to the total loss decision. They awarded £100 compensation for the delay.

Mr C remained unhappy with Admiral's response to his complaint – so, he brought it to the Ombudsman Service. He said the reason for the total loss was due to health and safety issues rather than the vehicle repair costs – which meant if the delay hadn't occurred; his vehicle likely could have been repaired. Instead, he said he had to settle the outstanding lease charges when the vehicle was written off.

An Investigator looked at what had happened and recommended that the complaint should be upheld. She said she was satisfied that had the inspection of the vehicle not been delayed, it most likely wouldn't have been written off. The Investigator thought Admiral should reimburse Mr C the shortfall of £4,612.41 he'd paid between the outstanding lease balance and the total loss payment Admiral had made.

Admiral didn't agree with the Investigator's outcome. They said there was no guarantee the delay was responsible for the emergence of the maggots – which they said could begin

forming within 24 hours of an animal's death, suggesting that even with an earlier recovery, the contamination may have already begun. And they said the lease agreement was between Mr C and his finance provider – so any shortfall he'd experienced was not their responsibility.

As the complaint is yet to be resolved – it was passed to me to decide. I wrote to Mr C and Admiral and said I was minded to uphold the complaint for substantially the same reasons as the Investigator, and I thought Admiral should pay £400 to Mr C for distress and inconvenience. Mr C agreed with my provisional thoughts of the complaint, but Admiral didn't. They maintained that there was no clear evidence that their delays directly impacted the outcome.

As both parties have now provided a response – I will set out my decision below.

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 reached broadly the same outcome as the Investigator and I uphold this complaint.

I acknowledge that I've summarised this complaint in a lot less detail than Mr C has presented it. However, in this decision, I haven't commented on each and every point raised, but instead, I've focussed on what I consider to be the key points I need to think about in order to reach a fair outcome. I don't mean any discourtesy by this; it simply reflects the informal nature of this Service. I assure Mr C, however, that I've read and considered everything he's provided.

It's not disputed that there was a delay in getting Mr C's vehicle assessed following the claim being reported. The crux of the complaint is therefore whether the delay itself led to the decision to deem the vehicle a total loss. I appreciate Admiral has said there is no definitive proof that the delay was responsible for the emergence of the maggots. So, in situations like this, where the evidence may be incomplete or contradictory, I'll need to make my decision on the balance of probabilities. That is, what I think is more likely than not to have happened, given the evidence which is available and the wider circumstances of the complaint.

Having done so, I think it's more likely than not that the delay led to the ultimate decision to deem the vehicle a total loss. I say this in part due to the following reasons:

- Mr C was contacted to arrange repairs – there was never any mention of the vehicle suffering damage that would require it to be deemed a total loss.
- A replacement hire vehicle was provided, which the policy terms state is not provided in the event of a vehicle being deemed a total loss.
- The initial inspection didn't raise any issues in terms of health and safety.
- The cost of repairs was significantly lower than the total loss amount.
- The animal was left in situ on the vehicle's windshield. Had this been removed earlier, I think it's more likely than not this would have removed any issues with decomposition which led to the vehicle being written off.

While no single point is determinative of the complaint as a whole, I think in combination they are persuasive in this particular complaint. Ultimately, the only reason given for the vehicle being deemed a total loss was the maggots, and so I think that, but for the delay, the vehicle would have likely been repaired instead. I can see the Investigator previously recommended

that Admiral should reimburse Mr C the cost of the lease balance he made when the vehicle was written off. I agree this would be the correct way to conclude this complaint, because the shortfall would ultimately be deemed a consequential loss.

When thinking about whether an insurer is liable for any consequential losses because of something they did wrong, I need to ask the following questions:

1. Is the loss a direct result of what went wrong?
2. Is the loss reasonably foreseeable?
3. Were reasonable steps taken to mitigate the loss?

In relation to question 1, I find that the loss was a direct result of Admiral's handling of the claim process. Based on the available evidence and testimony, I'm persuaded but for the delay, the vehicle wouldn't have been declared a total loss, and it follows that Mr C wouldn't have needed to pay the shortfall in the lease balance.

In relation to question 2, I find that this was reasonably foreseeable. While I acknowledge the very specific circumstances of this complaint; I think that it's reasonable to recognise leaving a dead animal in situ in the vehicle could have led to problems developing.

Finally, in relation to question 3, I find that Mr C took reasonable steps to mitigate the loss. He reported the claim promptly and the vehicle was collected the same day. He also hasn't incurred any costs over and above what was required to conclude the lease agreement.

It follows that, in all the circumstances of this particular complaint, I'm satisfied Mr C's payment for the shortfall in the lease agreement was due to Admiral providing a poor claim process which led him to end his agreement early. As such, I think Admiral should reimburse these costs.

What was the impact

Mr C says he had to settle the outstanding finance on his lease agreement, which amounted to £4,621.41 after the finance provider removed rental credit. Mr C also says he's experienced distress and inconvenience in having the vehicle written off instead of being repaired, especially since it was later put back on the road and the new owner tried to charge the vehicle with the existing account details still in place.

Putting things right

Ultimately, I agree Mr C has had to pay this sum to end the lease when he wouldn't have needed to if the vehicle been repaired instead. As such, I think Admiral should reimburse this sum and add 8% simple interest from the date it was paid until it is refunded.

In relation to the inconvenience caused to Mr C as a result of this process, as well as being without a vehicle when his hire entitlement ended, I've thought about what a fair sum of compensation is. I've weighed up Mr C's testimony, the available evidence, and the duration of the process. Overall, I think a sum of £400 is fair in the circumstances, and reflects the impact Admiral's actions had on Mr C.

I appreciate this may not be the level of compensation Mr C might have hoped for, and it may not ultimately change matters for him, but I consider it to be in line with the level of compensation appropriate to these issues, and I'm satisfied this produces a fair and reasonable outcome in this particular complaint in line with my duty under DISP 3.6.1.

My final decision

For the reasons given, my final decision is that I uphold this complaint. I direct Admiral Insurance (Gibraltar) Limited to:

- Pay £4,621.41 for financial losses incurred;
- Admiral should add 8% simple interest to this sum from the date it was paid until it is refunded;
- Pay £400 compensation (less any sum already raised)

Under the rules of the Financial Ombudsman Service, I'm required to ask A and Mr C to accept or reject my decision before 17 September 2025.

Stephen Howard
Ombudsman