

The complaint

Mr W complains that Admiral Insurance (Gibraltar) Limited mishandled his motor insurance policy.

What happened

The subject matter of the insurance and the complaint is a sports utility vehicle made by a premium-brand car-maker with a powerful engine and first registered in 2018.

Before Mr W, a previous owner had the car “wrapped”.

Mr W acquired the car in August 2023. After a discussion with Admiral on 3 August 2023, he declared “*Exterior Decorative Changes*”.

On 4 August 2023, Mr W rang Admiral and took out a comprehensive policy for the year from 9 August 2023. The policy schedule included “*Exterior Decorative Changes*”.

For the year from 9 August 2024, Mr W and Admiral renewed the policy.

Mr W reported to Admiral that on 3 November 2024, he had driven the vehicle into a bollard, damaging the front of the vehicle.

Admiral arranged repairs of the vehicle. Its repairer said that the vehicle needed a re-wrap, but Admiral declined to pay for that, saying that the policy didn’t cover modifications.

By mid-November 2024, Mr W had complained to Admiral that it should pay for a re-wrap and that it wasn’t dealing properly with his complaint.

In mid-December 2024, Mr W complained to Admiral about not calling him when it said it would. By a final response dated 17 December 2024, Admiral turned down the complaint about the wrap. However it upheld the complaints about communication and said it was sending Mr W a cheque for £150.00.

By early January 2024, Mr W complained to Admiral, including that it had told him in August 2023 that the policy would cover the wrap and it had failed to provide the call recording. By a final response dated 8 January 2025, Admiral turned down the complaint about the wrap. However it upheld complaints about communication and said it was sending Mr W a cheque for £400.00. That final response included the following:

“I have reviewed the file and have sent you an email outlining what you are paying for that was sent to you on 04/08/2023, this outlines what you are covered and not covered for. I do agree based on the calls that you were given misleading information, on that basis I am upholding this point.”

Mr W brought his complaint to us on about 9 January 2025. He asked us to direct Admiral to cover the cost to re-wrap the car.

Our investigator said that Admiral had only sent us the case file for the final response dated 17 December 2024, so this was the complaint she'd investigated.

Our investigator recommended that the complaint should be upheld in part. She thought that Admiral gave Mr W a reasonable expectation that the wrap would be covered in the event of a claim. She recommended that Admiral should:

"include the cost of replacing the wrap as part of the overall vehicle repairs.

As this has already been completed by Mr [W], he should provide the invoice to [Admiral] for it to settle the cost. [Admiral] should include 8% interest from the date the invoice was paid by Mr [W] to the date it settles this aspect of the claim.

I'm satisfied [Admiral] have compensated Mr [W] a reasonable amount and within our guidelines to apologise for the stress and inconvenience caused to him. So aside from reimbursing Mr [W] for the wrap, I don't feel [Admiral] need to compensate any further in relation to the shortcomings in service."

Mr W responded to the investigator's opinion in an email dated mid-April 2024 as follows:

"As discussed please find attached the invoice for the re-wrap of my vehicle witch is currently being undertaken by the garage for your records."

Admiral disagreed with the investigator's opinion. It asked for an ombudsman to review the complaint. It says, in summary, that:

- The policy excludes modifications.
- So it should not be liable for covering the cost of the wrap, regardless of any confusion, misinformation or interpretation of the policy documents.
- It is not fair for us to ask it to cover something that the customer has not purchased cover for.

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.

From the recording of the call on 3 August 2023, I find that the main purpose of Mr W's call was to tell Admiral that the vehicle was wrapped and to ask it how to make sure that was covered. Further I find that Admiral told Mr W that it would cover the wrap.

Admiral's final response dated 8 January 2025 accepted that its calls had given Mr W "misleading *information*". I consider that Admiral had given Mr W a reasonable expectation that it would cover a claim for repair without excluding a re-wrap.

From the recording of the call on 4 August 2023, I accept that Admiral missed opportunities to ask for details of the decorative changes.

Admiral's policy terms included the following:

"General conditions

...

12. Standard parts replacement

Your policy does not cover modifications.

If you make a claim for loss or damage to your vehicle, provided it is economical to do so, we will only pay the cost of replacing parts needed for your vehicle to meet the manufacturer's specification along with any optional extras and/or disability adaptations.

Any adaptations made to assist a disability are only covered if they have been declared and we agreed to cover them."

So Admiral said it would pay for parts needed to meet the manufacturer's specification and any optional extras or disability adaptations.

I haven't seen any policy definition of "*optional extras*". I'm not persuaded that this phrase was a clear restriction to manufacturer's optional extras. I'm not persuaded that this phrase was a clear exclusion of optional extras from a franchised dealer or "after-market".

Admiral's policy terms included the following definition:

"Modifications are any changes to the way the vehicle looks, functions or drives including any changes to support a disability or relating to your profession or business."

So the definition of "*modifications*" is wide enough to include changes by way of optional extras.

Therefore, there is a contradiction between Admiral's statement that "*Your policy does not cover modifications*" and its statement that "*we will only pay the cost of replacing parts needed for your vehicle to meet the manufacturer's specification along with any optional extras*".

Overall, I consider that – after Admiral had told Mr W that it would cover the wrap – Admiral's policy terms weren't clear enough to displace Mr W's reasonable expectation that it would cover a claim for repair without excluding a re-wrap. So I don't consider that Admiral treated Mr W fairly by declining to pay for the re-wrap as part of the repair in November 2024.

I've also noted that Admiral was responsible for further shortcomings in the way that it handled the complaint, including failure to contact Mr W when it had said it would.

When he brought his complaint to us, Mr W provided an estimate from a VAT-registered supplier that included the following figures:

De-wrap	£ 500.00
Product	£1,002.35
Preparation and application	£1,800.00

That's a total of £3,302.35 (plus VAT).

Our investigator's opinion included that Mr W had completed the replacement wrap. However, I accept Mr W's statement that the vehicle was being re-wrapped in mid-April 2025.

So I accept that Mr W had been driving a vehicle that needed further cosmetic repair from November 2024 to April 2025.

In response to the investigator's opinion, Mr W sent us an invoice from a supplier not registered for VAT. That included the following figures:

Un-wrap	£ 700.00
Re-wrap exterior	£1,500.00
Re-wrap door shuts and returns	£ 500.00
Total	£3,700.00

I consider that broadly in line with the earlier estimate.

Putting things right

I'm satisfied that Admiral's payments totalling £550.00 are fair and reasonable for the distress and inconvenience its unfair treatment caused Mr W. So I don't find it fair and reasonable to direct Admiral to pay him any more for distress and inconvenience.

Nevertheless, I find it fair and reasonable to direct Admiral to reimburse Mr W £3,700.00 for the re-wrapping of his vehicle. As he will have been out of pocket since about 12 April 2025, I find it fair and reasonable to direct Admiral to add interest from that date at our usual rate.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Admiral Insurance (Gibraltar) Limited to pay Mr W:

1. £3,700.00 in reimbursement of the invoice for the re-wrapping of his vehicle;
2. simple interest on the amount of £3,700.00 at a yearly rate of 8% from 12 April 2025 to the date of reimbursement. If Admiral considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr W how much it's taken off. It should also give him a certificate showing this 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 W to accept or reject my decision before 12 August 2025.

Christopher Gilbert
Ombudsman