

The complaint

Ms B complains about how Admiral Insurance (Gibraltar) Limited ('Admiral') handled a claim made on her home insurance policy.

What happened

The events of this complaint will be well known to both parties, so I'll only briefly summarise what happened here.

In May 2022 Ms B's home suffered damage including the collapse of a ceiling in one room due to an escape of water. So, she contacted Admiral to make a claim.

Admiral accepted the claim and appointed a loss adjuster to act on its behalf. The claim was concluded in May 2024 with a cash settlement of £15,977.15 being issued for the building part of the claim, and a cash settlement of £6,149.60 for the contents part.

Ms B complained about various aspects of how the claim was handled, including the following:

- Over the time the claim was open she had to deal with various new caseworkers, often having to reexplain the claim circumstances.
- Correspondence including questions and requests for updates were often ignored.
- Valuations had to be provided on multiple occasions for damaged contents due to issues with an online portal and a valuation being lost when a new caseworker took over the claim.
- Despite advising the adjuster from the outset she wished to remain in the home while repair work was being carried out, she was only informed this wouldn't be possible around 18 months into the claim after a scope of works was completed. This has left her with no alternative but to accept a cash settlement and to arrange for the repairs herself.
- Conflicting information was given on whether asbestos is present in the property with initial reports from the adjuster saying that it is, and later reports saying that it isn't.

Admiral didn't provide a final response to the complaint, so Ms B brought the complaint to us.

Our investigator thought the complaint should be upheld. He said there were errors throughout the claim and the level of service didn't seem to improve, a lack of evidence of a clear work plan on the claim, poor communication throughout, and poor management of expectations around the need for alternative accommodation. He thought this had caused

Ms B substantial distress and inconvenience over a prolonged period and that to put this right he thought £1,000 compensation was fair and reasonable.

Ms B accepted the investigator's opinion. Admiral didn't confirm if it accepted or rejected the opinion. So, the complaint was referred 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.

Having done so, I've decided to uphold this complaint. I'll explain why.

I should start by saying while I've read and considered everything Ms B and Admiral have provided, I won't be commenting on every point made. I'll instead concentrate on what I consider are the key points I need to think about for me to reach a fair and reasonable decision. This isn't meant as a discourtesy to either party, but instead reflects the informal nature of this Service.

I sympathise with Ms B for the disruption which she's faced due to this escape of water. I've read the reports of the damage and looked at the photos and it's clear a large amount of damage was caused to her home, particularly the study room which suffered a partial collapse of the ceiling.

Ms B unfortunately would have faced unavoidable disruption due to the damage caused by the escape of water. And it isn't unusual for claims such as these to take some time to resolve, particularly if extensive water damage has been caused. I can't hold Admiral at fault for the unavoidable consequences of the loss itself. But Admiral should have handled the claim fairly including by progressing it in a proactive way, setting reasonable expectations of the claim journey, providing periodic updates to Ms B on the claim, and responding to queries within a reasonable timescale. If it has caused distress and inconvenience by not handling the claim fairly, I can award compensation.

I've reviewed the adjuster's initial inspection report. The adjuster said in this Admiral had appointed a restoration company to carry out asbestos testing in every room due to the presence of an artex coated ceiling and the living room ceiling had shown a positive result for asbestos, that Ms B was asked to provide a loss list for her contents and submit any receipts, and that alternative accommodation wouldn't be needed as Ms B still had access to cooking and washing facilities.

I've considered Ms B's comments about the service she received, and I've looked at the evidence Admiral provided, including its adjusters file.

I don't think Admiral has persuasively shown that there weren't avoidable delays on the claim. It said there was a delay caused in the claim by Ms B not paying her excess. But this happened after October 2023 when Ms B was informed repairs were ready to proceed and was told that she would need to move into alternative accommodation. By October 2022, drying had been completed and contents had been moved into storage, however it took another year for Admiral to be ready to commence with repairs. So, on balance, I think there were avoidable delays progressing the claim up to October 2023.

Ms B says she wasn't kept reasonably updated and wasn't replied to at times and I think that is reflected in the adjuster's file. On several occasions Ms B contacted the adjuster to chase for updates and to say she hadn't been replied to.

Ms B contacted the adjuster in October 2022 to say she was having problems with the online portal and to ask for advice on how to provide the details of her damaged contents. The adjuster replied this on 9 November 2022, but restated Ms B would need to provide a full list of damaged items with values. I don't think this addressed Ms B's question and I think it was clear she was struggling to submit the details of her contents and the adjuster reasonably could have assisted by specifically advising Ms B how to present and submit her contents list.

With regards to the alternative accommodation, Ms B didn't complain about not being provided alternative accommodation but instead that she couldn't move into alternative accommodation and made this clear to Admiral from the outset. However, she wasn't told she would need to move into alternative accommodation for Admiral to carry out the repairs until much later in the claim.

I don't think clear expectations were set to Ms B by Admiral that at some point in the claim she may need to move into alternative accommodation. In the initial report, the adjuster said that alternative accommodation wouldn't be necessary because the home still had cooking and washing facilities. It doesn't appear to have been until October 2023 that Ms B was told she would need to move into alternative accommodation for Admiral to carry out the repair work.

Additionally, because Ms B didn't agree to move into alternative accommodation, the adjuster said there was no alternative to cash settle the claim. Looking at the claim notes, it commented that alternative accommodation may have been required due to the number of different rooms which needed to be worked on, the contents requiring removal and the property requiring cleaning, and because the contractor wouldn't carry out the work unless the property was vacant.

Ultimately, if it wasn't possible for Admiral to carry out the repair work without Ms B moving out of the property, and Ms B wasn't willing to move into any form of alternative accommodation, a cash settlement wouldn't seem unreasonable. But I'm not persuaded Admiral couldn't reasonably have known and informed Ms B at an earlier point in the claim that for it to proceed with repairs itself, Ms B would need to move into alternative accommodation once repairs were ready to start.

Lastly, with regards to the asbestos, Admiral has provided a copy of the asbestos testing report dated 17 May 2022 which shows that chrysotile type asbestos was found in the ground floor living room ceiling. Ms B was then told on 19 May 2022 there was a positive result for asbestos in the living room ceiling, but it hadn't been disturbed. The adjuster then sought confirmation whether the asbestos had been breached and received a response on 15 June 2022 saying it hadn't been, so it could be skimmed and repainted once drying was complete.

However, a note in the claims file shows that Ms B called Admiral for an update on 14 June 2022 and was told the asbestos containing material in the living room ceiling would need to be removed and another note in the claim file dated 15 June 2022 says that the claim action plan included instruction to a restoration company to take down the ceiling due to the asbestos.

Ms B contacted Admiral on 21 February 2023 saying that according to the repair contractor, the work couldn't proceed until the asbestos was removed from the living room ceiling. So, I think Ms B was given contradictory advice to this point, because she was told in June 2022 the living room ceiling would need removed, but close to this time the adjuster was told the ceiling hadn't been breached so would just need skimmed and repainted. It doesn't appear Ms B was informed of this.

In July 2023 Ms B contacted the adjuster to say she had been told by the adjuster there wasn't asbestos present in the living room ceiling which was responded to by the adjuster saying asbestos was found but the ceiling wasn't breached and so it would only have needed skimmed and repainted. However, the repair contractor who had attended in January 2023 thought the ceiling had dropped slightly and requested it be removed.

Having considered the evidence provided by Ms B and Admiral, I think there have been issues with the way the claim was dealt with including delays, poor communication, conflicting information being provided and expectations of the overall claim journey not being reasonably set.

I've considered the impact to Ms B. She says she has had restricted access to several rooms in her home, many of her possessions absent and in storage, and an impact to her mental health. As I said earlier, I can't hold Admiral at fault for the fact there was a loss and the unavoidable impact that would have caused to Ms B. But I think the issues with the handling of the claim have likely avoidably extended the duration of the claim in addition to causing Ms B inconvenience by having to chase frequently for updates and clarification on aspects of the claim and upset caused by clear expectations not being set.

I think Ms B was caused a substantial amount of distress and inconvenience over a prolonged period by the way in which the claim was handled, and I think to put that right £1,000 compensation is in line with our award levels and fair and reasonable in the circumstances.

Putting things right

I require Admiral to pay Ms B £1,000 compensation for the distress and inconvenience caused by its handling of her claim.

My final decision

My final decision is that I uphold this complaint and I require Admiral Insurance (Gibraltar) Limited to carry out what I've set out in the 'Putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 21 July 2025.

Daniel Tinkler
Ombudsman