

## **The complaint**

Mr C and Mrs C complain about Admiral Insurance (Gibraltar) Limited (“Admiral’s”) handling of a claim they made on their buildings insurance policy following an escape of water.

The policy is in joint names, but I’ll refer to Mr C throughout my decision since he brought the complaint to this service.

Admiral is the underwriter of this policy, i.e. the insurer. Throughout the claim Mr C was dealing with other companies who act as Admiral’s agents. Since Admiral accept it is accountable for the actions of its agents, in my decision, any reference to Admiral includes the agents.

## **What happened**

Mr C lives in a grade 2 listed building that was insured by Admiral.

In November 2019 there was an issue with the plumbing which resulted in water damage in the loft. Mr C reported the matter to Admiral who accepted the claim.

Admiral appointed its agent, and the work started in January 2020. It was due to be completed the following month. The work involved removing the lath and plaster ceilings and replacing them with plasterboard. Some further reinforcements were carried out by the contractor when they found the ceiling joists flexed, which meant the plasterboards could not be nailed to them. The reinforcements involved timber supports being attached from the rafters to the ceiling joists and Mr C says this has impacted the integrity of the roof and caused his home to be devalued.

The key issue here is Admiral’s installation of additional timber supports which risk overloading the roof structure. Mr C says Admiral should have conducted a full roof examination to determine the impact of Admiral’s poor workmanship on the structure of his home. He says the claim was mismanaged from the outset and this led to significant consequences for him. He says Admiral should cover the cost of the work since it caused the additional damage.

In May 2022, Mr C’s property was inspected by a structural engineer who drew up a schedule of works to rectify the installation of timber supports. The following month Admiral wrote to say once the schedule was priced it would make a cash settlement based on that figure. Admiral expressed its intention to cover Mr C for the work required in order to get the matter resolved but wouldn’t appoint its contractor to carry out the work.

The surveyor’s report confirmed the initial work carried out by Admiral was not acceptable and recommended it be removed, prior to carrying out any rectification. The work to install the binders and return the property to the pre incident loss was tendered. In October 2022 quotes were received for the rectification and Admiral appeared to agree one of the quotes.

Following this in November 2022 Admiral wrote to Mr C confirming the work to strengthen the roof joists were unrelated to the insured peril and so wouldn’t be covered. Admiral

disagreed with the findings of Mr C's independent surveyor's report. It said it would remove the timbers and rectify any subsequent damage, or it would remove the timbers and provide a cash settlement for removal and reinstatement of the ceiling to the same standard it is currently. But Mr C would have to undertake the work to strengthen the joists independently.

Mr C says he and his wife are in their seventies and not in good health. The matter has continued for five years with numerous investigations and an absence of responsibility on the part of Admiral. Mr C says the matter has impacted his mental health and caused significant stress and anxiety to both him and his wife.

The work to rectify the damage was estimated to cost around £20,000 according to the tenders received. But Mr C say Admiral only paid £3,000, despite agreeing there was faulty workmanship. Mr C want Admiral to pay for the rectification works in full, in line with the terms and conditions of the policy. So, they complained.

Admiral said it had carried out the work required to repair the damage caused by the escape of water. It said while it did initially agree to the rectification of the binders, it reconsidered its approach since it didn't think there was any evidence to suggest the ceiling structures would be weakened following removal of the timbers; it said this had been confirmed on several occasions. Admiral accepts the installation of the timber supports should not have been agreed to as it would be considered betterment and wasn't required in the first instance. In November 2022 Admiral offered to take down the timbers and said it wasn't intending to leave Mr C with the costs of that as a result of its own errors.

Mr C didn't agree so referred his complaint to this service. Our investigator looked into things and upheld the complaint. She concluded Admiral hadn't acted fairly and said it should re tender the work and settle the claim. She also said Admiral should pay for a structural engineer to evaluate the works once completed to ensure there is no lasting impact for Mr C. The investigator thought the compensation of £2,000 paid was appropriate given the circumstances of the complaint.

Admiral didn't agree. It said it had settled the claim in line with the policy terms. It said there was no evidence to say the binders were necessary and to pay for binders to be installed would constitute betterment. It also said the strengthening was carried out by its contractor as a goodwill gesture and wasn't something it needed to complete. Admiral didn't agree with the investigator and said it didn't think any additional costs should be considered. So, the complaint came to me to decide.

### **My provisional decision**

In June 2025 I issued a provisional decision on this complaint, a copy of my findings is below;

*"Having considered all the available evidence, I'm upholding the complaint for broadly the same reasons as the investigator.*

*Mr C has provided detailed testimony about what happened and why Admiral should cover the cost of the rectification work. I want to assure Mr C I have read and considered everything he has sent us. But if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and reflects the informal nature of our service. I recognise the impact the matter has had, and continues to have, and I empathise with the difficulties Mr C has clearly faced.*

*I can see Mr C has lived in his home for a number of years and can see why he'd want such issues to be sorted out as quickly as possible. Unfortunately, this isn't what happened. For ease of reference, I'll address each of the key complaint points separately.*

#### *Scope of my considerations*

*I don't intend to go into substantial detail about our powers, because as I understand it, the scope of our consideration of the complaint isn't in dispute. But for completeness I'll set out the points I'm able to consider.*

*Mr C's claim was made in November 2019. During the course of the claim Mr C made a number of complaints to Admiral. Admiral issued final response letters in April 2022, September 2022, and January 2023. Any complaints considered in those final response letters won't form part of my decision here since they weren't referred to this service within six months as stipulated in the rules set out by the Financial Conduct Authority (FCA).*

*As the investigator explained, the final response letter dated 11 May 2023 does form part of this complaint since it was referred to us within the timescale provided by Admiral at the time Mr C initially complained. But my review won't include the management of the claim or accuracy of the reports of the visits.*

*I know Mr C has asked whether there can be a 'relaxation' of the rules given the nature of the complaint. If a complaint falls outside of our jurisdiction we don't have the legal power to consider it. I am required to apply these rules in every case. I cannot disregard them. To do so would be to act outside of my powers and any decision made would not be enforceable.*

#### *Binders*

*Admiral says the struts were offered by the contractors as a goodwill gesture to the customer without agreement from Admiral. It previously supplied two reports, the customer's independent report and Admiral's supplier report. Neither confirm nor indicate that strengthening requirement is needed for reinstatement of the ceiling. Admiral settled on the replacement value of the plaster board, not lath and plaster, and say the weight ratio would be significantly less than the original ceiling. Admiral says it didn't change its mind with regards to the use of binders but investigated further after Mr C raised his concerns.*

*Admiral says the costs quoted by the contractor have already been paid and it is unable to consider the binders given the report dated 10 November 2022 states the work is not required to secure the roof as part of the reinstatement due to the escape of water, but rather betterment for Mr C's reassurance.*

*I've thought carefully about what Admiral has said here but I don't agree with its position. The contractor was acting as an agent for Admiral so regardless of whether Admiral agreed to the timber supports – it is responsible for the actions of its agent. And since Mr C's property didn't have timber supports prior to the escape of water and they were added incorrectly by Admiral, Admiral is responsible for any work required to rectify the mistake – outside of the claim Mr C made.*

#### *The reports*

*Mr C obtained a report from a structural engineer dated 17 March 2022. I've seen a copy of the report. It concludes the structure in place may be, "detrimental to the main roof timbers as ceiling loads are now inappropriately supported, particularly where a hanger has been attached to the main collar adjacent to the chimney stack." The report goes on to say, "I*

*suggest they should return and install binders sized in accordance with the recommendations of the Trada tables to replace the current timber work.”*

*Admiral obtained its own report from a structural engineer dated 11 July 2022, following an inspection on 13 June 2022. I have seen a copy of that report. The report says;*

*“The works have been carried out under the guidance of [the contractor] is not acceptable and the new timbers are introducing forces into existing members within the roof structure, potentially overloading the sections.”*

*The report concludes, “we would recommend that the strengthening that has been detailed is installed prior to the removal of the haphazard timber strengthening that has been put in place.” The report also says the original strengthening was unnecessary.*

*The work detailed in the reports was tendered – the tender included the cost of the binders. So, I can understand why Mr C was expecting Admiral to cover the costs for the rectification work.*

*Following this, in November 2022 Admiral’s engineer provided a further report, based on the same inspection in June 2022. This time the engineer says;*

*“The strengthening is unnecessary as the original ceiling was significantly heavier than the plasterboard that replaced it.” It also says, “the lack of strength of the ceiling joints, real or perceived, was clearly not a result of the escape of water and any strengthening, real or perceived, should have been carried out at the homeowner’s expense.”*

*I can see our investigator asked Admiral why it’s position changed between its first report in July 2022 that followed the inspection in June 2022, and the report in November 2022. Admiral says neither report confirmed the joist strengthening was needed for the reinstatement of the ceiling. Admiral says neither report indicates that an additional load has been created – only that removing them resolves the uncertainty. So, it didn’t agree it had changed its mind.*

*Admiral’s additional report says any lack of strength in the ceiling joint wasn’t as a result of the escape of water and so the work carried out by its contractor in strengthening those joints should have been paid for by Mr C. But I don’t agree. Whether the joists needed to be strengthened or not, and regardless of whether any lack of strength in the ceiling joists were as a result of the escape of water; the fact remains that Admiral’s contractors added apparently unnecessary, new timbers to Mr C’s roof in a haphazard and unacceptable manner. Both reports agree to the poor workmanship. And I haven’t seen any independent evidence to say the work was carried out to an acceptable standard.*

*The purpose of the insurance policy is to indemnify Mr C, that is, settle the claim fairly without him losing out. And in failing to deal with the issues with the roof Mr C is losing out – he is being forced to pay to correct work incorrectly installed by Admiral or faces a significant reduction in the value of his home.*

*So, I don’t think Admiral has treated Mr C fairly here. Since Admiral’s contractors carried out the work, Admiral should bear the cost of rectifying it. I’m upholding this complaint and intend to direct Admiral to pay the costs to rectify the damage. Those costs shouldn’t be added to the cost of the claim since the work is outside the scope of this.*

*Claim costs and settlement*

*Admiral says it paid Mr C £23,947.33 to settle the claim. £4,500 of this appears to have been in settlement of the reinstatement work. Admiral paid £1,500 in February 2022 and £3,000 in June 2022. Our investigator said this should be deducted from the overall reinstatement settlement.*

*Mr C says the ceiling crack was a result of the insured peril and when it was repaired as part of the insurance claim it wasn't repaired correctly. This resulted in the crack opening and so Admiral agreed to pay £1,500 to rectify the poor workmanship. So, I agree £1,500 relates to the claim and not the reinstatement work and so should therefore not be deducted from the reinstatement settlement.*

*Mr C obtained an updated quote from the contractor who tendered the repairs agreed by Admiral. The cost of the work had increased from £14,414.40 to £17,708, excluding VAT. Mr C is willing to accept this in settlement of the claim for reinstatement works.*

*But in order to indemnify Mr C, Admiral needs to pay updated reinstatement costs. Mr C doesn't want to engage in a further re-tendering process since he's concerned this will cause additional delays. And I understand his position. A solution to this is for Admiral to tender the work with strict timescales that Mr C would need to agree to. My concern in directing Admiral to pay £17,708 in settlement is that Mr C wouldn't be properly indemnified for the likely costs of the rectification. If the reinstatement work then costs more than £17,708 Mr C wouldn't be able to go back and ask Admiral to pay the difference.*

#### *Delays*

*A claim of this nature was always likely to be disruptive and stressful for Mr C. Ultimately the escape of water resulted in conditions giving rise to this claim. I've had to decide what impact Admiral has caused over and above what might reasonably be expected, through its case handling.*

*The relevant industry rules say an insurer should handle claims promptly and fairly. The escape of water occurred in November 2019 and Mr C has spent years trying to get his home in order so he could sell it.*

*Admiral was aware of the urgency in Mr C's claim given the potential property sale issues, which he brought to its attention. But despite this it caused unnecessary and avoidable delays dealing with the additional timbers and it communicated poorly with Mr C which would have been stressful and frustrating for him. I'm pleased to see Admiral accepts the service it provided fell short of what Mr C was entitled to expect and paid him compensation to apologise for failures in service. I will discuss the payment for distress and inconvenience further below.*

#### *Betterment*

*There are two relevant and longstanding principles to consider here. The first is that the aim of the policy is to indemnify the policyholder. An insurer can do this by putting the policyholder back in the position they were in immediately prior to the damage – for Mr C that means a structurally sound roof. The second is the fair and reasonable expectation that any repair conducted should be lasting and effective. That means properly putting right the damage for a reasonable amount of time.*

*Admiral had a duty to act in Mr C's best interests to ensure he was properly indemnified for his loss. Given that the ceiling repairs don't appear to have resulted in an effective and lasting repair, Admiral hasn't provided fair settlement to Mr C.*

*I agree with Admiral that its relevant to consider the cost of work and whether any resolution amounts to betterment. But I don't think these are the main factors when deciding what a fair and reasonable outcome is. If there's only one way to fulfil the key principles its likely I'd require Admiral to pay for it, even if it were expensive or betterment – as that's the only way to treat Mr C fairly.*

#### *Reduction in sale value*

*Mr C says as a result of Admiral's poor workmanship the value of his home has reduced. He wants Admiral to cover the loss. He hasn't provided any evidence from an estate agent to support his position. And I understand why; he says he doesn't want to alert them to any potential structural issues with his property that may impact the price. However, it is likely any potential buyer will obtain a homebuyer report, and if not a mortgage lender is also likely to.*

*I am also unable to direct Admiral to pay for any loss that isn't substantiated. I know Mr C has provided some information about the decline in value of properties in the surrounding area. But the information I have considered so far more likely reflect the market conditions, and a general devaluation of properties in Mr C's area over the past two years, rather than any damage caused by Admiral. So, on current evidence I'm not awarding Mr C the alleged loss of sale value. I say this because the available evidence hasn't persuaded me that the reduction in value of the property has been caused solely by Admiral's errors in its handling of the claim.*

#### *Compensation*

*Mr C has explained the impact of the poor service he received – causing significant inconvenience and distress. It has also impacted his health and quality of life. Taking all of this into account I think it's clear Admiral's poor handling of Mr C's claim at times has caused a substantial level of avoidable and unnecessary distress and inconvenience which I don't think Admiral adequately appreciated or compensated for.*

*There is no doubt that Mr C has been subjected to a significant amount of upheaval, inconvenience, delays, and emotional distress. He said this has ultimately caused his health to suffer. And I can see the service he has received with regards to the claim and ongoing works has often fallen below standard. Admiral has also concluded that Mr C has had a poor customer experience during this claim.*

*Our investigator thought £2,000 was sufficient compensation for Mr C's distress and inconvenience. And while that's within the range of reasonable compensation I'm minded to increase this amount.*

*I've carefully considered our approach to distress and inconvenience awards. Awards of over £1,500 and up to around £5,000 is appropriate where the business's mistakes cause sustained distress, potentially affecting someone's health, or severe disruption to daily life lasting more than a year. I'm satisfied this is the case here. Mr C has provided compelling and consistent testimony about the impact of this matter; he has been inconvenienced throughout the period in question and its clear it's been a very stressful experience for Mr C – his health has been impacted as a result of the errors made in the repairs being carried out.*

*So, taking all of this into account it is my provisional view that the distress and inconvenience Mr C experienced is in that bracket and I can't see any reason to go beyond it at present. I think Admiral should pay Mr C a further £1,000 for the distress and inconvenience caused; so, the total compensation amount is £3,000.*

*I understand Mr C may want me to go further in my redress than I have. But having considered the evidence I think my recommendations to put things right are fair and reasonable in the circumstances of the complaint, and for the reasons previously explained. I would however urge Admiral, upon Mr C accepting this final decision (if he does) to act swiftly to deal with the remaining aspects of this matter so as to minimise any further distress and inconvenience.”*

Response to my provisional decision

Mr C responded to say he agreed with the provisional decision. Admiral didn't provide a response.

### **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 haven't been provided with any information from either party which alters the findings set out in my provisional decision. So, the findings set out in my provisional decision are now that of this, my final decision.

### **Putting things right**

In order to put things right I direct Admiral to;

- Pay the costs of reinstating Mr C's ceiling, less £3,000 already paid for reinstatement works, the cost it pays should allow Mr C to carry out the required work at no additional cost to him,
- Ensure the cost of reinstatement work isn't added to the settlement value of the claim,
- Pay Mr C an additional £1,000 for the distress and inconvenience caused,

### **My final decision**

My final decision is that I uphold this complaint, and direct Admiral Insurance (Gibraltar) Limited to put things right by doing what I've set out above.

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

Kiran Clair  
**Ombudsman**