DRN-5661340

The complaint

Mr M complains Admiral Insurance (Gibraltar) Limited (Admiral) unfairly settled his claim on his motor insurance policy.

What happened

On 15 June 2024 Mr M hit a third-party vehicle whilst driving his car. He organised for his car to be collected by a breakdown company, and it was taken into storage. He reported the incident to Admiral, and that his car had been towed away and was in storage.

Admiral considered the car a total loss and made a settlement offer of £2,642. Mr M wanted his car to be repaired so Admiral said if he retained the salvage of the car the settlement amount would be reduced by the salvage value and the amount payable would be £2,117. Admiral told Mr M it would call him back the next day to confirm if he could retain the salvage.

Admiral didn't make the call back and when Mr M went to collect his car from the storage company in late July 2024, he had to pay £1,800 in recovery and storage costs. He said he wasn't made aware of the storage costs and Admiral should pay for storage.

Admiral agreed it hadn't called Mr M back as agreed and paid him £50 compensation for the inconvenience caused.

Because Mr M was not happy with Admiral, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said Admiral should pay the cost of storage for the car.

As Admiral is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

When Mr M made his claim on his motor insurance policy, he told Admiral the car was in storage. He said he would find out its location so Admiral could organise for the salvage to be collected.

On 20 June 2024 Mr M called Admiral for an update on his claim. I listened to this call. Admiral asked for the location of the car, which he provided. It then gave him a total loss settlement valuation of £2,917.50 less the policy excess. When Mr M asked if the car could be repaired Admiral explained it wouldn't pay for repairs. However, it said it may be possible for him to retain the salvage of the car. It explained images of the car would need to be checked by its engineer who would make a final decision on the category of write off and if it was categorised as a category S or category N write off, he could retain the salvage. During the call he provided images of the damage to the car. Admiral told him the salvage cost was £525.15 meaning a total loss settlement value of £2,117.35 if he retained the car. Mr M asked how he would get the salvage of the car back and Admiral explained it would be his responsibility to get his car out of storage if he retained the salvage. He was told a number of times Admiral would let him know the outcome once the images he had provided had been checked by its engineer. It told him it could raise the payment for him to retain the salvage that day.

Admiral didn't call Mr M back as it told him it would do. In mid-July 2024 Mr M received an email from the storage company informing him that Admiral hadn't made any response to its requests for payment and updates. He contacted Admiral again to ask it for an update. Admiral said it hadn't received any emails from the storage company.

I saw evidence of the storage company emailing Admiral a number of times between 17 June 2024 and 23 July 2024. These emails reminded Admiral of the ongoing storage costs for Mr M's car and requested an update in regards to payment and collection of the car. Admiral said it didn't receive these emails, however whilst Mr M's complaint was being investigated by this Service it acknowledged receipt of the emails. However, Admiral still maintains Mr M was clearly advised twice during the call on 20 June 2024 that since he was retaining the vehicle, it was his responsibility to arrange its removal from storage. It said any delay in doing so and the resulting storage charges beyond that remain his responsibility.

I agree Admiral told Mr M if he were to retain salvage of his car it was his responsibility to collect it from the storage company. But in the same call Admiral told him it would get back to him with its engineer's decision on the category of write off which would determine if retaining the salvage was possible. At no point during the call on 20 June 2024, or at any other time, was he told he would be responsible for a daily storage charge that would continue to accrue.

Admiral accepted it failed to make the call back as agreed and paid Mr M £50 for the inconvenience caused. However, its failure to make the call also meant Mr M didn't know if retaining the salvage had been authorised, so he wasn't aware he needed to collect the car. Because Admiral didn't get back to him with its salvage decision, I am unable to fairly hold him responsible for any delay in collecting the car. And I don't think it is reasonable for him to pay the storage costs due to the delay.

I saw Mr M paid the cost of storage up to 26 July 2024 to avoid any further storage costs being incurred.

Based on the evidence I have reviewed, I uphold Mr M's complaint.

Putting things right

I require Admiral to refund the costs paid for storage to Mr M. This cost was £1,125 plus VAT as per the invoice from the storage company. 8% interest should be added from the day Mr M paid it to the day Admiral pays him. It should also increase the offer of compensation to £200 to account for the poor level of service received. Your text here

My final decision

For the reasons I have given I uphold this complaint.

I require Admiral Insurance (Gibraltar) Limited to:

- Refund Mr M the costs he paid for storage. 8% interest should be added from the day Mr M paid it to the day Admiral pays him.

- Pay a total of £200 compensation (less £50 already paid) to account for the poor level of service received.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 August 2025.

Sally-Ann Harding
Ombudsman