

The complaint

Mr and Mrs T have complained about the way their motor insurer, Admiral Insurance (Gibraltar) Limited ('Admiral'), dealt with a claim they made on their policy.

What happened

I issued a provisional decision on this complaint last month where I said that I was not considering upholding it. An extract from that decision follows:

"Mrs T was involved in an accident in September 2022 which she said she wasn't at fault for. She and Mr T made a claim for the damage to their vehicle on their policy with Admiral.

Mr and Mrs T complained to Admiral over the course of the claim and were unhappy about issues including the quality of repairs as well as the length of time it had taken to repair the car. They believed that their car had significantly depreciated in value and wanted to be reimbursed for this loss.

Admiral responded to Mr and Mrs T's complaints in August 2023, February, July and October 2024. It offered them £1,050 in compensation which included valet costs plus the cost of a replacement battery and other expenses. But it didn't agree to pay any depreciation costs.

Mr and Mrs T weren't happy with Admiral's response and brought their complaint to our service. They said that the car had been with Admiral for 635 days but still hadn't been fully repaired. They added that they wanted to claim for the depreciation in their car's value while it's not been in their possession which came to £9,000.

The matter was considered by one of our investigators. Our investigator said she wasn't able to consider complaints addressed in the 10 August 2023 and 12 February 2024 final responses as the complaint was referred to us more than six months after those letters and was therefore out of time. But, in any case, neither addressed the depreciation complaint which is the reason why Mr and Mrs T complained to our organisation. Our investigator felt that Admiral's offers were fair and reasonable and didn't think it needed to take any further action.

Mr and Mrs T didn't agree. They said that they could have sold their vehicle for a lot more than what it is currently worth. They said Admiral's communication was poor and they were still not able to find out whether outstanding repairs would be carried out or not. They added that they used the vehicle to advertise their business, so the business suffered while the vehicle was off the road. They said the situation had been extremely stressful for them and this is also something they should be compensated for.

Our investigator didn't change her view. She said some of the delays were outside Admiral's control and noted that Mr and Mrs T had a hire vehicle while they didn't have their own vehicle and even before the repairs started. She said depreciation isn't covered under the policy and that a number of issues can affect a car's value and that having lower mileage could even have a positive impact. She also said there was no evidence of losses to the business. She added that we'd need to see evidence that they intended to sell the vehicle and without this she wasn't able to make awards in addition to the distress and inconvenience awards made by Admiral.

Mr and Mrs T said they had planned to sell the car to a family member who had since found another vehicle. They said the hire car was paid for through their insurance premiums and it was one of the options they selected when they took their policy out.

Before I proceeded with my decision, I asked Admiral to consent to me considering the issues addressed in the October 2024 final response in this decision so Mr and Mrs T didn't have to raise a new complaint. This was because this response was issued after the complaint was referred to us. Admiral agreed.

The matter was then passed to me to decide.

What I've provisionally 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.

Mr and Mrs T brought their complaint to our service and asked to be compensated for the depreciation in their vehicle's value. For completeness I will also add that, as our investigator said, complaints addressed in August 2023 and February 2024 are potentially out of time. I'm not aware of any exceptional circumstances that mean we can still look at them but, in any case, those responses do not address issues that Mr and Mrs T wanted our service to look at. If that is not the case, Mr and Mrs T can let us know when they respond to this decision.

The policy

Mr and Mrs T's policy provides cover for damage to their vehicle as a result of an accident. Admiral will also pay reasonable charges for safeguarding the vehicle and getting it to and from the repairers. The policy also includes a courtesy van while the customer's vehicle is being repaired. All repairs carried out by an approved repairer will be guaranteed as long as the customer owns the vehicle. If the repairs are unsatisfactory the approved repairer will have the option to rectify them. If they are still unsatisfactory the customer may use another repairer subject to Admiral's agreement.

Background

One of Admiral's suppliers was instructed to arrange the repairs and hire. Mr and Mrs T initially said they wanted to use their own garage but in November 2022 they informed Admiral that the garage they had in mind couldn't do the repairs.

Mr and Mrs T said the vehicle was going in and out of four-wheel drive which was causing it to skid out and was dangerous to drive. Based on this information, Admiral arranged for a hire vehicle the following day as a goodwill gesture despite the repairs not starting.

Admiral wasn't able to find a garage who was able to do the repairs until March 2023. From what I understand this was to do with the type of vehicle which meant only certain garages were able to undertake the work.

In June 2023 Mr and Mrs T were informed that the repairs had been completed but they felt there were still repairs outstanding. They said the car needed a valet, there was rust and there were also issues with the control panel. They complained about this in July 2023.

Admiral responded to the complaint in August 2023 and offered Mr and Mrs T £400 compensation which included £100 for valet expenses. It upheld their complaint about delays in finding a garage and the standard of repair including to the plastic casing on the side control panel. It rejected their complaint that the vehicle was sat outside for ten months which caused pre-existing damage to rust.

Admiral referred the matter to an independent assessor for advice regarding the rust. The assessor didn't think that any rectification work was required and said any damage suffered wasn't accident related.

Mr and Mrs T did not wish to collect the vehicle until repairs were carried out in full. In February 2024, Admiral said hire would be terminated and that the vehicle had to be collected from the garage. It also said that storage charges came to £5,480 plus VAT up to that point.

Admiral responded to a further complaint from Mr and Mrs T in February 2024 and offered them £200 compensation for further delays which meant they had been without their vehicle for 18 months. It rejected complaints that Mr and Mrs T weren't informed when their car was ready for collection, that their business had been affected while the vehicle was off the road because it was used for advertising, that it wouldn't cover the body work, and for the rust issue caused by the vehicle being outside. Hire was terminated in March 2024 and Admiral ultimately agreed to pay all the storage fees.

The July 2024 final response

In June 2024 Mr and Mrs T complained about the communications they received from Admiral and said they wanted to be compensated for the depreciation in their vehicle's value. Mr and Mrs T had also complained that they hadn't been reimbursed for other expenses despite being told they would be.

Admiral responded addressing complaints about the standard of repair, including the reversing camera not working properly, the electrics affecting the clock and radio and the battery not working properly which Mr and Mrs T had to replace at a cost of £209.99 as well as the car smelling of mould.

Admiral offered Mr and Mrs T £350 compensation which consisted of £200 for distress and inconvenience and £150 toward valet costs. It confirmed that it had reimbursed them for the cost of the replacement battery. In terms of the issues with the camera and the radio, Admiral offered to arrange for the car to go to an appointed garage or for Mr and Mrs T to provide an estimate from a local garage. It also confirmed that a payment of £565 had been raised for the expenses Mr and Mrs T had already been told would be reimbursed which included the battery. Admiral didn't uphold the complaint about the depreciation and said this would have happened regardless of the time taken to repair the car.

I thought Admiral's compensation offers were fair and reasonable in the circumstances. And I thought its offer to reassess the outstanding damage was also fair. I appreciate damage to the camera and radio may still be outstanding and I think Admiral should continue to liaise with Mr and Mrs T so that those repairs can be completed.

October 2024 final response letter

After the complaint was referred to our service, Admiral issued a further final response in October 2024 and upheld a complaint Mr and Mrs T made about the lack of responses to their emails. It offered them £100 compensation. I thought this was fair and reasonable in the circumstances and also taking into account Admiral's previous compensation awards and also the hire and storage costs. I appreciate Mr and Mrs T said the hire was covered under their policy but this is only for the period while the vehicle is in for repairs. Admiral provided a hire vehicle before the repairs started.

Mr and Mrs T also said that there was still damage outstanding including to the camera sensor and radio. Admiral said it was waiting for them to provide physical estimates. As I said above, I think Admiral should liaise directly with Mr and Mrs T regarding this issue so that it can be progressed.

Mr and Mrs T also said that the fan belt was squeaking and needs replacing. Admiral said this isn't something it is responsible for and that the area of damage was at the back of the vehicle making it unlikely for the fan belt to have been damaged during the accident or the repairs. However, Admiral said that it will consider further evidence from Mr and Mrs T regarding this if they are able to provide an estimate and confirmation as to why there is damage and squeaking. I think this is fair and reasonable.

The complaint about the depreciation

Mr and Mrs T initially complained about the car depreciating in value in June 2024. Admiral addressed this point in its July 2024 response but it rejected it. It said the car's value would have depreciated regardless of the time taken to complete the repairs.

Mr and Mrs T say that Admiral had their car for 635 days and during this time the car wasn't being looked after which led to its value depreciating. They say that the vehicle has depreciated by £9,000.

As our investigator said, the policy doesn't provide cover for potential depreciation in the car's value. So in order for me to make an award for this I would have to see evidence which

is especially persuasive, so much so, that it justifies me asking Admiral to step outside the terms of its policy and pay this. So I would have to be persuaded that not only the car's value has depreciated but that Admiral is directly responsible for this. I have considered all the evidence provided by the parties, but I haven't seen any evidence in support of this. And without this I'm not able to make such an award.

Furthermore, as far as I understand Mr and Mrs T still own the vehicle so even if there is any depreciation this loss hasn't yet materialised. I don't think it would be fair and reasonable for me to ask Admiral to pay for a loss that Mr and Mrs T haven't and may not suffer.

Mr and Mrs T said they had planned to sell their vehicle to a member of their family and were not able to because of Admiral's delays and the lack of the vehicle's maintenance but again this isn't something I've seen evidence of. And in any case I'd have to see evidence that the sale value was lower and that this was solely due to Admiral's actions.

I also think that it is normal for most vehicles to depreciate in value over time and especially if they sustain accident damage, like Mr and Mrs T's vehicle. So, on balance, I think this would have happened regardless. I appreciate Mr and Mrs T's point is that their vehicle's value depreciated more than it would have otherwise but, as I said above, I haven't seen any evidence supporting this."

Admiral said it had nothing further to add to my provisional decision. Mr and Mrs T didn't respond. Our investigator contacted Mr and Mrs T and allowed some more time for them to respond but no response was received. I have, therefore, decided to proceed with my final decision.

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.

As there have been no additional comments regarding my provisional decision I see no reason to change any of the findings I made in that decision. So, the findings I made in my provisional decision now form the findings of this, my final decision.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs T to accept or reject my decision before 31 July 2025.

Anastasia Serdari
Ombudsman