

## **The complaint**

Mr G complains about Admiral Insurance (Gibraltar) Limited (“AIL”) and the way they and their agents handled the claim he made on the breakdown cover included within his motor insurance policy.

## **What happened**

The claim and complaint circumstances are well known to both parties. So I don’t intend to list them chronologically in order. But to summarise, in July 2024 Mr G’s van encountered a problem while driving. So, based on guidance given to him by his own garage over the phone, he turned his van off and contacted AIL to utilise the breakdown cover included within his policy.

AIL instructed a separate roadside assistance company, who I’ll refer to as “X”, to attend to Mr G’s van at the roadside on their behalf. As X was acting as an agent of AIL, AIL ultimately remain responsible for the actions X took.

After failing to diagnose, or repair, the fault with Mr G’s van, X advised Mr G to drive the van to his garage, with them following behind. But Mr G’s van broke down shortly afterwards, with the engine completely seizing. So, X recovered Mr G and his van to his garage. Mr G was unhappy about this, and the advice X provided, so he raised a complaint to AIL.

In summary, Mr G set out why he felt X’s advice of driving the van to the garage, which conflicted with his garage’s own advice, had led to further damage being caused to his engine, meaning it needed to be replaced entirely. So, he requested AIL cover the costs of this replacement.

AIL undertook investigations to answer Mr G’s complaint, which included arranging an engineer, who I’ll refer to as “N”, to inspect Mr G’s van. N didn’t strip down the engine, but noted a replacement was most likely required at the very least. So, they deemed Mr G’s van a total loss. But AIL remained of the position that Mr G had failed to supply evidence to show it was X’s advice that led to the need for a replacement, rather than a pre-existing issue already present with the van. So, they didn’t offer to do anything more. Mr G remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and upheld it. Both parties have had sight of this outcome, so I won’t be recounting it in detail. But to summarise, our investigator set out why they felt AIL were ultimately responsible for the van’s engine seizing, due to X advising Mr G to drive the van to his garage, when it could have, and should have, been recovered.

So, they recommended AIL pay Mr G the total loss value of the van estimated by N, less the salvage value as Mr G had since salvaged the van and replaced it himself. And they recommended 8% simple interest be applied to this amount from the date of the breakdown to the date of payment. They also explained that no excess should be applied, or claim recorded, against Mr G’s policy.

Mr G accepted this recommendation. But AIL didn’t, providing several comments setting out

why. In summary, they reaffirmed why they didn't feel Mr G had provided evidence to show it was X, and so their negligence that led to the engine seizing. And they set out why a strip down of the engine would be needed to provide this level of information. They also set out why they felt X had fulfilled their obligations set out within the terms and conditions of the policy they offer and so, without additional information, they felt their position was a fair one. As AIL didn't agree, the complaint has been passed to me for a 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.

Having done so, I'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached my decision, I want to set out what I've considered and more importantly, how. I must be clear that it isn't my role, nor the role of our service, to speculate or decide on what was the actual fault with Mr G's van, as we don't have the expertise to do so. Instead, it is my role to consider the stance AIL has taken when refusing to cover the costs of the engine replacement, or the total loss amount placed on Mr G's van, to decide whether they acted fairly, and in line with the terms and conditions of the policy they underwrote, when doing so. In this situation, I'm not satisfied they have, and I'll explain why.

I also want to be clear that in situations such as this, where both parties have conflicting opinions on what was the cause of the engine seizure, I have considered all the evidence available to me to decide what is most likely to have happened, based on the balance of probabilities. This includes consideration of the reports provided by Mr G's garage, and N.

In this situation, neither N, or Mr G's garage, stripped the engine down to allow them the opportunity to determine what was the primary cause for the engine seizure. While I recognise why AIL felt it was Mr G's responsibility to incur this cost to receive this diagnosis, I must also note that AIL chose to instruct N to help assist their own investigation.

So, I would have expected AIL to ensure N completed the necessary work, which included a strip down, to provide them with the information they required to fairly reject any responsibility for the damage to Mr G's van. But I can't see Ail did this. While I note N stated there was no ramp available at the time of their inspection, I would have expected N and AIL to have explored other times, or locations, to ensure this was possible. Especially when AIL's correspondence to our service reiterates their belief an engine strip down is required.

Because of the above, I'm not satisfied it's fair to AIL to continue to reject liability on the basis a strip down wasn't completed. And crucially, this is no longer possible as Mr G has salvaged the van, due to the time between the breakdown and no action being taken and the threat of storage charges.

So, without an expert opinion available that completed the strip down works to accurately identify the primary cause of the engine seizure, my decision must be made on the balance of probability of what I'm satisfied is most likely to have occurred, based on the timeline of events and the testimony from Mr G and the patrol who attended from X.

In X's recount of their attendance, they explained that *"I decided that with what the fault appeared to be and member reporting no loss of power following to their local garage was the best course of action"*.

This satisfies me it was X's decision for Mr G to drive the van to his garage. And, that no successful repair had been completed to the fault that X believed was present. But crucially, it also satisfies me that at the time X inspected Mr G's van, the engine was running as if this wasn't the case, I wouldn't expect X to recommend Mr G drive to the garage himself.

Both Mr G and X agree that less than a minute after Mr G began this second journey, following X's inspection, his van lost all power. So, X was required to recover Mr G's van to the garage. And from this point on, the engine wasn't able to be turned on at all, due to a full seizure. This is confirmed by both Mr G's garage, and N in their report.

So, based on the evidence available to me, I'm persuaded that on the balance of probability, additional damage was caused to Mr G's engine during the brief attempted drive to the garage, recommended by X after their initial inspection. And I must note that X made this recommendation despite Mr G's policy document explaining within the policy terms and conditions that AIL would, if X couldn't repair the van, either:

*"Recover you, the vehicle and your passengers to our choice of local garage which is unable to undertake the repair or...if the above is not possible at the time or the repair cannot be made that day, we will arrange for you, the vehicle, and your passengers to be recovered to your chosen destination, if no further than 10 miles from the scene of the breakdown"*.

As X recommended taking Mr G's van to his own garage, and it was within 10 miles from the scene of the breakdown, I'm satisfied recovery of Mr G's van, without the need for it to be driven, was an option and crucially, the correct course of action to take. This considers the fact that any fault hadn't been fully diagnosed to allow a repair to be attempted or completed.

So, by not taking this action, I'm satisfied X and therefore AIL, acted unfairly and unreasonably and that their failure here led to the engine seizure when this may, on the balance of probability, have been avoided. So, I've then turned to what AIL should do to put things right.

### **Putting things right**

When deciding what AIL should reasonably do to put things right, any award or direction is intended to place Mr G back in the position he would have been in, had AIL acted fairly in the first place.

In this situation, had AIL acted fairly, their agent X would have recovered Mr G's van to his garage before a full engine seizure. So, AIL are ultimately responsible for the additional financial burden this has created for Mr G.

I note Mr G has since salvaged the van and so, a replacement of the engine can't be completed. But even if it could be, I note N provided their professional opinion that this replacement would be uneconomical to complete, instead recommending the van be deemed a total loss, providing a pre-accident value of £9,000, before salvage deduction.

So, to place Mr G back in the position he would have been, considering the engine seizure and required engine replacement was the main cause of the van's total loss from what I'm able to deduce, I'm satisfied AIL should pay Mr G the total loss settlement amount, less the salvage, as they are unable to retain the van due to Mr G having already disposed of it.

And to recognise the time Mr G has been without access to these funds, or his van, AIL should apply 8% simple interest to this payment from date of the breakdown to the date of payment. And this payment should be made without any excess deduction, with no claim recorded against Mr G's motor insurance policy.

But for similar reasons to that of our investigator, I won't be directing AIL to pay any form of compensatory payment. This is because I must also consider the fact that, had X recovered Mr G's van to his garage as they should have, it's likely Mr G would have incurred some form of cost to repair whatever the initial issue with his van was, that led to the initial breakdown. So, I am satisfied Mr G has received a further financial benefit from my direction above, as he hasn't needed to incur this cost and I'm satisfied this most likely offsets the inconvenience and other financial costs such as hire costs he may have incurred while he was pursuing payment from AIL through their complaint process.

### **My final decision**

For the reasons outlined above, I uphold Mr G's complaint about Admiral Insurance (Gibraltar) Limited and I direct them to take the following action:

- Pay Mr G a total loss payment of £9,000, less the applicable salvage deduction appropriate to them had they been able to retain the van;
- Pay 8% simple interest on this amount, from the date of breakdown to the date of payment; and
- Ensure no excess payment is taken, or claim recorded against Mr G's motor insurance policy in relation to the actions directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 4 November 2025.

Josh Haskey  
**Ombudsman**