

The complaint

Mr F has complained that his commercial vehicle insurer, Admiral Insurance (Gibraltar) Limited ('Admiral'), didn't compensate him for all the damage to his vehicle after he was involved in an accident.

What happened

In August 2024 Mr F made a claim to Admiral for damage to his vehicle further to a road traffic accident he didn't think he was at fault for. Ultimately the other side did not admit liability, so Admiral dealt with the claim under Mr F's policy.

Mr F said that the vehicle sustained cosmetic damage to the front and damage to the gearbox, but Admiral felt that the impact wasn't severe enough for the gearbox to be damaged. It also said that in March 2024, Mr F was involved in another accident which rendered the vehicle a total loss. That claim was settled by Admiral with Mr F agreeing to keep the vehicle. It said that when Mr F reported the previous accident to it, he said that the gearbox was damaged. So, it believed that the gearbox was already damaged by the time of the second accident.

Mr F complained but Admiral only upheld part of his complaint. It agreed that its communication with Mr F was poor and also that it failed to inform him calls were recorded. It awarded him £225 compensation. But it didn't think the gearbox was damaged in this accident for the reasons it had already provided.

Mr F then brought his complaint to our service. He said he had not been able to use the vehicle due to the damage and that this was causing him financial loss due to not being able to work as well as a lot of stress.

One of our investigators reviewed the complaint and ultimately decided that there was no evidence to suggest that the gearbox was damaged as a result of the March 2024 accident. He thought Admiral should consider the cost for the repairs to the gearbox subject to the terms of the policy plus interest and increase the compensation to £500.

Admiral didn't agree. It said that when Mr F reported the March 2024 accident, he said the gearbox had gone stiff. It said based on what Mr F had reported the vehicle was declared a total loss and no full engineer's report or estimate was completed.

Mr F told our investigator that there was a lot of water leaking from the vehicle after the March 2024 accident and he feared the damage may be extensive and could potentially affect the gearbox. But when the vehicle was inspected by a mechanic, they said that the

radiator had been damaged but there was no damage to the gearbox. Once the radiator was repaired the vehicle was back to normal.

Our investigator didn't change his view but clarified to the parties that due to the cost of repairing the gearbox, the vehicle may be deemed a total loss.

Admiral didn't agree and asked for an ombudsman's decision and so the matter was passed 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.

Under the terms of the policy, Admiral will provide cover in the event the vehicle is damaged as a result of, among other things, an accident. The policy also states that Admiral will not pay for pre-accident damage or damage which is unrelated to the current loss.

Admiral says that the damage sustained in August 2024, did not include damage to the gearbox. It has relied on its engineer's opinion which states that the impact was not severe enough to cause damage to the gearbox. But it also relied on the fact that when the vehicle was involved in an accident a few months prior, Mr F reported that the gearbox was stiff. So, what I need to decide is, based on the evidence available to me, whether it is more likely than not that the gearbox was damaged as a result of this accident. If it was damaged in the March 2024 accident, Admiral does not have to pay for it again as it has already made a total loss settlement to Mr F in relation to that accident.

Engineering and other evidence

Admiral provided a call between Mr F and one of its handlers after the March 2024 accident which I have listened to. Mr F reported various areas of damage and also said that there was an issue with the gearbox and that it was hard to "put gears in". Mr F has since said that once the vehicle was repaired and the radiator replaced, there were no issues with the gearbox and he was able to use the vehicle as normal. Having considered this, I don't think I can place too much reliance on what Mr F said during this call as it was not long after the accident, before the vehicle was repaired and it was only based on Mr F's initial thoughts about the damage. And Mr F isn't, as far as I am aware, an engineer so as to be able to accurately diagnose what was wrong with the vehicle. And as Mr F said it wasn't until it was reviewed by a mechanic that he realised the gearbox was not damaged.

Admiral has provided two reports regarding the March 2024 accident. One of them states that the date of loss was May 2024 which I assume was a typo, but it doesn't mention which parts required replacing. The report states that the vehicle was unroadworthy as some of the panels had become distorted which could have caused panels or components to fall or inadvertently open. The second report correctly states that the loss happened in March 2024. The report states that the vehicle was unroadworthy due to its structural integrity being compromised. It again didn't list the parts that needed repairing or replacing. Based on this, I don't think I can rely on either report in order to determine whether the gearbox was damaged. I appreciate Admiral says that the vehicle wasn't inspected because it was

declared a total loss based on the damage reported by Mr F. I don't think this is unusual practice by an insurer but it also means that neither report is helpful in determining whether the gearbox was damaged during that accident or later on.

I have also considered the engineer's report for the August 2024 accident. The report states that the impact was heavy and to the left front but from the parts that needed replacing it seems the damage was cosmetic as the most expensive parts were the bumper, headlamp and corner panel. This report does not mention the gearbox. But, as I said, it states that the impact was heavy which doesn't fully align with what Admiral's engineer said later on, specifically that the gearbox damage was not accident related as it was not consistent with the accident circumstances or the minor damage otherwise caused. It is unclear whether, for this report, an inspection was carried out in person or if it was a desktop assessment, but it seems the inspection was only external. And for that reason, as well as the slightly conflicting engineer's evidence, I don't think I can place too much weight on this report.

I find that the most persuasive of the expert evidence available is the mechanic's invoice provided by Mr F detailing the repairs carried out to the vehicle in April 2024. This shows that the parts supplied were a new radiator, bumper, rear brake light, side mirror and rear mudguard. There is no mention of any repairs done to the gearbox. I find this the most persuasive evidence regarding the post March 2024 damage bearing in mind that this mechanic not only inspected but also repaired the vehicle whereas the other engineers only carried out inspections. The fact that they carried out the repairs means that they removed various panels from the vehicle and took a closer look at the damage. And as they did not deem necessary to repair the gearbox, on balance, I think that there was no damage to the gearbox that required repairing after the March 2024 accident. If there had been, I think it would have been noted on the invoice. Also, I think it is unlikely that Mr F would have carried on driving the vehicle for five or so months with a broken gearbox.

I think this case is finely balanced due to the lack of detail in the expert evidence available but on balance I think it is more likely than not that the gearbox was damaged in the August 2024 accident. So I think the cost of repairing the gearbox should have been included in the settlement offered by Admiral to Mr F. Mr F has supplied an estimate for the repair which is around £11,000. I note that in the engineer's report the vehicle was valued at £8,885 so it is likely that this would make the vehicle uneconomical to repair. I've also borne in mind that Admiral has already made a cash in lieu of repairs payment for the cosmetic damage which came to £1,401.77 (£2,051.77 less the £650 excess) which I anticipate it would look to add to the overall repair costs to determine whether the vehicle is economical to repair or not. And it may also wish to deduct this from any total loss payment it makes.

Customer service and other losses

I note that Mr F said that he has suffered a loss of earnings as a result of the accident. I don't think this is something he had complained to Admiral about when he made his initial complaint. And as Admiral hasn't been able to respond to this part of the complaint this isn't something I can consider here. I also note that Mr F had a hire vehicle for around three months and hasn't provided any evidence in support of a loss of earnings claim in any event. If this is something he still wishes to pursue he will have to inform Admiral in the first instance.

Admiral has already offered Mr F £225 compensation for the distress and inconvenience its service caused him. Bearing in mind that the vehicle has still, according to Mr F, not been repaired and has not been used since August 2024 I think this will have caused Mr F further distress and inconvenience and I agree with our investigator that the compensation should be increased to £500 to reflect this. This is in line with awards we would make in similar circumstances.

My final decision

For the reasons above I have decided to uphold this complaint. Admiral Insurance (Gibraltar) Limited must settle the claim to include the gearbox damage subject to the remaining policy terms. I note that the excess has already been deducted from the cash in lieu payment it has already made to Mr F and doesn't need to be deducted again from any settlement. It must also increase its compensation to £500 in total for the distress and inconvenience it caused Mr F. If it has already paid the £225 it previously offered Mr F it must now pay the balance.

Admiral Insurance (Gibraltar) Limited must pay the compensation within 28 days of the date on which we tell it Mr F accepts my final decision. If it pays later than this it must also pay interest on it from the deadline date for settlement to the date of payment at 8% a year simple.

If Admiral Insurance (Gibraltar) Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr F how much it's taken off. It should also give Mr F a tax deduction certificate if he asks for one so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 25 September 2025.

Anastasia Serdari
Ombudsman