

The complaint

Mr B complains about the way Admiral Insurance (Gibraltar) Limited (Admiral) handled the claim he made under his motor insurance policy and its decision to decline his claim.

What happened

The circumstances of this complaint will be well known to both parties and so I've summarised events. At the end of February 2024 Mr B was unfortunately involved in an accident involving another vehicle and so reported a claim under his motor insurance policy. Admiral arranged for Mr B's vehicle to be repaired by one of its approved repairers.

Mr B raised a complaint as he was unhappy with the courtesy car he was offered and the time he had spent chasing updates. On 12 March 2024 Admiral issued Mr B with a final response to his complaint. It said the courtesy car he had been offered was in line with the terms of its policy. It acknowledged Mr B had to repeat his concerns and hadn't been kept updated and so it paid Mr B £50 compensation. This complaint is in relation to the events which occurred following this.

Repairs were carried out, but the engine was making a rattling sound and so at the beginning of April 2024, Admiral decided an independent inspection should be carried out on Mr B's vehicle. The inspection took place in May 2024 and at the end of May 2024 Admiral told Mr B it had deemed his vehicle as a total loss.

At the beginning of July 2024 Admiral told Mr B its validation team were considering the claim, specifically in relation to Mr B's tyres being under the legal limit. In the meantime, Mr B raised a complaint with Admiral. He said he was unhappy with the delays with his claim and the delays in the total loss settlement being paid to him.

On 8 July 2024 Admiral issued Mr B with a final response to his complaint. It said it acknowledged there had been delays in Mr B's claim and with the total loss settlement being issued and so it paid Mr B £150 compensation. It also said if Mr B had evidence of other losses he had incurred it would consider these.

In August 2024 Mr B raised a further complaint with Admiral. He said he believed he was being discriminated against. Additionally, he was unhappy he was having to spend time chasing Admiral and said his tyres were legal at the time of the incident.

On 27 August 2024 Admiral issued Mr B with a final response to his complaint. It said it acknowledged Mr B's claim had taken some time, but this wasn't due to discrimination. It said it had asked an independent assessor to review the tyre depths on Mr B's vehicle. It paid £75 compensation to Mr B and said it would consider any other losses Mr B was able to evidence he experienced due to its errors handling his claim.

In October 2024 Admiral declined to cover the claim for the damage to Mr B's vehicle. It said the terms of Mr B's policy required him to ensure his vehicle was roadworthy and if an incident happens which is directly or indirectly related to the condition of the vehicle it may not pay a claim. It concluded Mr B's tyres were below the legal limit and this had contributed

to the accident.

Mr B raised a further complaint with Admiral. He didn't agree with the independent assessor's report. He was also unhappy it had made a payment for salvage without discussing this with him, and the way it had handled his claim.

On 4 December 2024 Admiral issued Mr B with a final response to his complaint. It said the independent report had been carried out appropriately and it had handled Mr B's claim impartially. It acknowledged it had caused delays and made a salvage payment without discussing this with him first. It paid Mr B £100 compensation and said it would consider any other losses Mr B was able to evidence he experienced due to errors in handling his claim. Mr B referred his complaints to this Service.

Our investigator looked into things. She said she thought Admiral's decision to decline Mr B's claim was reasonable. She said she didn't think Admiral had handled Mr B's claim fairly, and so it should pay Mr B an additional £250 compensation. She also said Admiral should pay Mr C out of pocket expenses he could evidence from the point it took his courtesy car away. Mr B didn't agree with our investigator. He provided a detailed response but in summary he said:

- The independent assessor had compiled their report prior to inspecting his vehicle in person.
- No rain had occurred at the time or location of the incident.
- He had concerns around discriminatory treatment and a lack of transparency from Admiral.
- The £250 compensation for distress and inconvenience was inadequate.
- The independent assessor failed to take into consideration the vehicle had been moved multiple times by recovery truck prior to the inspection which would impact the condition of the tyres.

I issued a provisional decision about this complaint and I said:

'I want to acknowledge I've summarised Mr B's complaint in less detail than he's presented it. I've not commented on every point he has raised. Instead, I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mr B and Admiral I've read and considered everything that's been provided.'

Mr B has made reference to Consumer Duty within his complaint to this Service. Whilst I may not refer to this specifically in my decision, I want to assure Mr B and Admiral I've taken this into consideration, along with other relevant industry rules and guidelines, and also considered what's fair and reasonable in the circumstances of this complaint. I've addressed the key points separately.'

Claim decision

The relevant rules and industry guidelines explain Admiral shouldn't unreasonably reject a claim. Admiral have declined Mr B's claim as it said his tyres were below the legal limit and this contributed to the accident. So, I've considered whether Admiral's decision to decline Mr B's claim is a reasonable one.'

Mr B's policy with Admiral includes a general condition which states:

'3. Care of your vehicle

You and any other insured person must:

- Make sure your vehicle is roadworthy*

...

If an incident happens which is directly or indirectly caused or contributed to by any of the following:

- The inappropriate conduct of the driver*
- The condition of your vehicle.*
- Your vehicle being left unlocked or unsecured*

No cover under the policy will be given and instead our responsibility will be restricted to meeting the obligations as required by Road Traffic Law.'

An independent engineer inspected Mr B's vehicle in May 2024 and has written a report which includes a number of photographs. The engineer has said in their report the tread depth of Mr B's tyres were 0, 0, 1 and 1.2 respectively. So, all four tyres were below the legal tread depth limit of 1.6.

I think it was reasonable for Admiral to rely on this engineer report to conclude Mr B's vehicle wasn't roadworthy at the time of the accident. The engineer has the appropriate expertise in the field, and has included photographs which support the tread depth he has recorded.

I acknowledge the inspection took place some months after the accident, and Mr B's vehicle had been moved several times prior to this. However, I'm not persuaded this means Mr B's tyres had a legal tread depth at the time of the accident. The photographs taken by Admiral's repairer in March 2024 and by the engineer in May 2024 show the same mileage. And so, I'm satisfied Mr B's vehicle wasn't driven during this period. I'm not persuaded Mr B's vehicle had legal tread depth at the time of the accident and had deteriorated whilst in the care of Admiral, particularly given it hadn't been driven.

As I'm satisfied Mr B's vehicle wasn't roadworthy at the time of the accident, I think he has breached a condition of his policy. Under ICOBS, it would only be reasonable for Admiral to decline Mr B's claim for breaching this condition if the circumstances of the claim are connected to the breach. So, I've considered whether Mr B's tyres being below the legal tread depth has contributed to the accident he has claimed for.

The independent engineer has said the poor condition of the tyres would have almost certainly contributed to the vehicle losing traction, and the tyre grip would have been reduced in wet conditions that were present at the time of the accident. Mr B has said the weather conditions weren't wet at the time of the accident.

Ultimately, regardless of the weather conditions, I think it's reasonable for Admiral to conclude the condition of Mr B's tyres has contributed to the accident. Mr B has hit a third party in the rear, and I think his ability to stop would have been impacted by the condition of the tyres, regardless of the weather conditions. I acknowledge Mr B has said the vehicle in front had no brake lights, but I've not seen evidence to support

this, and so I don't think this is sufficient to say the condition of Mr B's tyres didn't contribute to the accident.

Based on the evidence provided, I'm satisfied it was reasonable for Admiral to conclude Mr B has breached a policy condition, and the circumstances of the claim are connected to this breach. So, I think it was reasonable for Admiral to decline Mr B's claim.

Claim handling

Admiral have acknowledged it hasn't handled Mr B's claim fairly. It has said there have been unreasonable delays and paid salvage to Mr B without speaking with him first. It has paid Mr B a total of £325 compensation across the three final responses I've considered as part of this decision. And so I've considered whether this is reasonable to acknowledge the impact to Mr B.

Based on the evidence provided I'm not persuaded the compensation Admiral have paid is reasonable and I'll explain why.

Following the repairs being carried out on Mr B's vehicle, the engine was making a knocking noise and so it was agreed an independent engineer would inspect the vehicle. Admiral failed to arrange this appropriately and so it took around six weeks before an inspection was carried out. I don't think this was a reasonable length of time for this to be arranged.

Prior to offering Mr B a total loss settlement, Admiral had received the engineer report outlining the tread depths of Mr B's tyres. So, I think Admiral should have explored this further before offering Mr B a settlement. Some time after Admiral told Mr B it would pay him a total loss settlement, he chased Admiral as he hadn't received anything. It was at this point Admiral told Mr B its validation team were reviewing the claim further. I think this would have caused Mr B considerable distress and a loss of expectation given he had been told he would be receiving a total loss settlement.

Admiral received the engineer report at the end of May 2024, however it didn't tell Mr B it had declined his claim until October 2024. I've seen no good reason why it took Admiral around five months to make and communicate this decision to Mr B. I think this would have caused Mr B further distress and inconvenience as he was waiting for a decision on his claim, was without his vehicle or a salvage payment. I also don't think Mr B was kept updated regarding his claim during this period.

Admiral have also accepted it paid Mr B salvage for his vehicle without discussing it with him beforehand. I think this has caused Mr B some distress as he wasn't aware this payment was being made, nor had the opportunity to discuss it before it was issued. I can't see Mr B has specifically raised a complaint about the amount of salvage Admiral have paid, and so I've not considered this as part of this decision. If Mr B is unhappy with the salvage amount Admiral have paid he would need to raise this with Admiral in the first instance.

Mr B has raised concerns about whether Admiral have discriminated him due to his race. Mr B hasn't specifically referred to the Equality Act 2010, but he has implied Admiral may have breached the act as a result of its actions. I've taken the Equality Act 2010 into account when deciding this complaint – given that it's relevant law – but I've ultimately decided this complaint based on what's fair and reasonable. If Mr B wants a decision that Admiral have breached the Equality Act 2010, then he would

need to go to court.

On balance, I've not seen persuasive evidence Admiral have treated Mr B poorly or differently due to his race. It's clear the way it has handled Mr B's claim wasn't appropriate, and Mr B has been caused distress and inconvenience by this, which I've taken into consideration. However, I'm not persuaded this was led by Mr B's race, but rather a case of poor service.

I acknowledge Mr B would like Admiral to compare his claim journey against similar claims and further explore whether race has played a part in the way his claim was handled. However, this isn't something I require Admiral to do. I've considered the impact Admiral's errors have had on Mr B as an individual and think compensation should be paid to acknowledge this.

Taking all of this into consideration I consider Admiral have caused delays of around six months, during which period it hasn't communicated with Mr B effectively, and has caused him a loss of expectation. I think this has caused Mr B considerable distress and additional inconvenience over an extended period, and so think total compensation of £750 is more reasonable to acknowledge the impact to Mr B.

Admiral have said if Mr B provides evidence of additional costs he has incurred due to Admiral's errors dealing with his claim it will consider these. Mr B hasn't provided this Service with evidence of any additional costs he has incurred. However, I think if Mr B is able to provide Admiral with evidence of reasonable costs he has incurred from the point he returned the courtesy car, to the point it paid him for the salvage of his vehicle, Admiral should consider these.'

Mr B didn't respond to the provisional decision. Admiral said whilst it didn't dispute the errors it had made it felt the compensation recommended was too high. It said it was happy to agree to the further £250 compensation suggested by the investigator.

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 seen a reason to reach a different outcome to the one I reached previously. I acknowledge Admiral don't think a total of £750 compensation is reasonable to reflect the impact of its errors, but I disagree. I think Admiral have caused unreasonable delays of around six months including the delay in inspecting Mr B's vehicle and communicating its claim decision with him. Its errors also caused Mr B a loss of expectation as he was expecting to receive a total loss settlement and was only told he wouldn't receive this once he chased Admiral for an update.

Taking into consideration the number of errors Admiral made over an extended period, the length of the unavoidable delays it caused and its failure to manage Mr B's expectations, I think Mr B has been caused considerable distress and unnecessary inconvenience. I don't think the compensation it has paid accurately reflects the impact its errors have caused to Mr B and so I require it to pay a further £425 compensation to bring the total compensation due to £750.

My final decision

For the reasons I've explained, I uphold Mr B's complaint about Admiral Insurance (Gibraltar) Limited. I require it to:

- Pay Mr B a further £425 compensation, bringing the total compensation due to £750.
- Consider reasonable additional costs Mr B can evidence from the point he returned the courtesy car to the point it paid Mr B the salvage for his vehicle.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 1 October 2025.

Andrew Clarke
Ombudsman