

## **The complaint**

Ms K complains about the way Admiral Insurance (Gibraltar) Limited (“Admiral”) dealt with a claim she made on her home insurance policy following damage caused by a leak.

## **What happened**

Ms K held home insurance with Admiral. This covered, amongst other things, the cost of putting right claim-related damage to the building as the result of an insured event.

Ms K made a claim on her home insurance policy because a leak in her neighbours flat caused damage to her hallway ceiling. Admiral appointed a loss adjustor to validate the claim.

Admiral settled the claim by way of a cash payment in lieu of a repair. Ms K paid £500 policy excess, which was deducted from the settlement, in line with the terms of the policy. Admiral attempted to recover its costs from the neighbour but closed its file on the basis the neighbour was not cooperating and insufficient evidence.

Ms K says paying the excess on her policy is a significant financial burden for her. She wants Admiral to treat the claim as accidental damage rather than an escape of water. Ms K says she provided Admiral with communication logs that proved the neighbour acknowledged the source of the leak. Ms K says she has legal protection which should help her pursue the claim against her neighbour.

Ms K complained to Admiral. Admiral said when it looked into recovering its outlay there was no evidence to prove the neighbour was responsible for the damage caused and the neighbour didn’t respond to any communications so Admiral was unable to recover any losses. Admiral said there was no entitlement under the terms of the policy to recover the policy excess but it is included as a gesture of goodwill. Admiral said the claim couldn’t be considered as accidental damage since the damage isn’t the result of a single one-off incident. Admiral said the terms of the policy made it clear that excess is due for any claim made and therefore it didn’t uphold Ms K’s complaint.

Ms K remained unhappy so asked our Service to consider his concerns. Our Investigator didn’t recommend the complaint be upheld. She was satisfied Admiral handled the claim in line with the terms of the policy based on the evidence. Ms K didn’t agree, so the complaint has come 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.

I should explain that I won’t be repeating the entirety of the complaint history here in my decision, or commenting on every point raised. Instead, I’ve focussed on what I consider to be the key points that I need to think about in order to reach a fair and reasonable conclusion. This reflects the informal nature of this Service, and our key function; to resolve

disputes quickly, and with minimum formality. However I want to assure both parties I've read and considered everything provided.

Having considered the evidence, I've reached the same overall conclusion to that of the Investigator. I'll explain why.

### *Claim classification*

When considering Ms K's complaint, I have relied on the expert opinions provided. I understand Ms K strongly believes her claim should be classed as accidental damage rather than an escape of water.

The claim notes provided confirm the neighbour's bathtub was directly above the damaged area in Ms K's home. Ms K realised there was an issue when black mould became visible outside the cabinet. The email to Admiral says, "*we are reporting water damage caused by a prolonged leak from the upstairs neighbour's property*". Admiral's contractor attended Ms K's property and took pictures of the damage where it's clear there is black mould on the ceiling above the cabinet.

I have checked the policy terms and accidental damage is defined as, "*sudden, unexpected and visible loss or damage which has not been caused deliberately*". On considering the evidence I'm not persuaded the circumstances meet the definition. I say this because accidental damage is when there is sudden damage, usually caused by a one-off event. Here, the evidence is clear that there was a leak that continued for some time, and that caused the damage. Indeed Ms K's own evidence is that she wasn't aware of the damage until the black mould was visible. And this is suggestive of an ongoing issue rather than a sudden event. So I can't say Admiral acted unfairly in classing the claim as accidental damage.

### *Policy Excess*

The policy excess is defined as, "*The amount you must pay towards any claim. Your excesses are shown in your Home Policy Schedule*". That says £500 applies to claims made under the escape of water section of the policy. This means Ms K's excess is always payable where she is making a claim on her policy. Terms like these are commonly used in the industry and I think its use here is fair.

The policy stipulates, "*you must pay the excess shown in your policy documents for each claim we accept*".

Admiral accepted the claim and paid a cash settlement in lieu of repairs. I think the policy wording is clear that she will need to pay the excess for any claim made. So, it will apply to any claim made on the policy. I can't say Admiral acted unreasonably or outside the terms of the policy for deducting the excess from Ms K's settlement.

I appreciate why Ms K feels frustrated that her excess hasn't been recovered from her neighbour, and I understand the difficulty this has caused her. However, I can't require Admiral to reimburse the excess. The policy terms make clear that the excess is payable by the policyholder, and Admiral has applied those terms correctly. So I can't say Admiral acted unfairly in the way it handled Ms K's claim.

Ms K believes Admiral should recover the excess from her neighbour. But the policy doesn't place an obligation on Admiral to do this. Admiral said it would try to recover the excess, and I can see it did make attempts. Unfortunately, those attempts weren't successful. As Admiral isn't required under the policy to recover the excess, I can't say it has acted wrongly here.

Admiral told Ms K that, “*As a business we make the decisions on whether or not to pursue a recovery...when pursuing a recovery we may need to issue legal proceedings and convince a judge that the third party were responsible for the damage caused. The evidence we have is not enough to do this*”. Admiral considered the evidence and concluded that it didn’t have enough evidence to proceed with a recovery from the third party. It is entitled to do this by the terms of the policy so I can’t say Admiral acted unfairly or unreasonably here.

#### *Legal expense cover*

Part of Ms K’s complaint is that she pays for legal expense cover but wasn’t able to access this to help recover the costs of the claim. Details of the family legal protection add-on are in Ms K’s policy booklet including a telephone number and a separate number to contact for legal advice.

Admiral’s claim notes confirm Ms K was provided with contact details for her legal expense cover in November 2025. Since this part of the policy isn’t administered by Admiral I don’t have records of whether Ms K reached out to them for assistance, but I’m satisfied Admiral provided the details of that cover when asked, and that’s what I’d expect it to do.

#### *Conclusion*

I know my decision will be disappointing for Ms K but having carefully considered the complaint I think Admiral acted fairly and within the terms of the policy. So I won’t be asking it to take any further action.

#### **My final decision**

For the reasons explained above I don’t uphold Ms K’s complaint about Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms K to accept or reject my decision before 17 March 2026.

Kiran Clair  
**Ombudsman**