

The complaint

Miss A is unhappy that her insurer, Admiral Insurance (Gibraltar) Limited (“Admiral”) hasn’t met its liability under the policy, following a flood claim. She’s also unhappy with the general management and progression of the claim.

What happened

Miss A’s flood claim was accepted by Admiral, which caused significant damage to her home.

Miss A is unhappy as she feels Admiral has offered a settlement that doesn’t fulfil its obligations under the policy. Miss A doesn’t think the cash settlement Admiral has offered puts her back in a pre-loss condition. She doesn’t think Admiral has settled the claim on a like for like basis and using the same quality of materials she had in her original kitchen. She thinks Admiral has offered a settlement based upon a “*budget kitchen*”.

Miss A has felt the whole process to be draining. She feels exhausted and completely let down.

Admiral acknowledged that it could’ve managed the claim better. It apologised and paid compensation of £1,200 for the distress and inconvenience caused. Admiral had previously paid £300 in relation to previous complaints related to the claim.

Our investigator decided not to uphold the complaint. She thought Admiral’s cash settlement was fair and met its obligations under the policy. Whilst she recognised errors that had been made, she thought the compensation offered was fair in the circumstances. Miss A disagreed, so the case has been referred to an ombudsman.

Provisional decision (no.1)

I made a provisional decision on this on 28 August 2025. I said:

From reviewing the arguments that Miss A has presented, her primary issue is that she doesn’t feel she’s received a fair settlement for putting her kitchen back into a pre-loss condition.

Essentially, Miss A doesn’t think the cash settlement from Admiral has fully allowed for the standard and quality of kitchen she had before the flood. Miss A doesn’t think Admiral has provided a settlement that is on a like for like basis.

I’ve reviewed the policy, and it states:

“We will decide how to settle your claim. We will either pay the cost of rebuilding, repairing or replacing any damaged part of the buildings covered under this policy, or pay you a cash settlement for the same amount it would have cost us to use our chosen supplier for a necessary repair or replacement. The cash settlement may be less than the cost of rebuilding, repairing or replacing the damaged part”.

So, I’ll bear this in mind as I review the comments from both parties.

Miss A said her worktop was made from solid wood and not a lower standard MDF / chipboard core with a plastic / laminate top layer. She said her bespoke kitchen units were also made from solid wood.

I've reviewed Admiral's costed scope of works (SOW). The kitchen units are itemised, for example: "*cupboard front*" and "*drawer front*", "*white pan drawer cabinet*" and "*white base cabinet*". The worktop is described as "*laminate*".

As Admiral are paying for the replacement of the kitchen units, I'd expect it to put Miss A in the same position she was in as before the incident. So, I'd expect Admiral to replace the units or cash settle the claim based upon the same quality of fixtures and fittings Miss A had in her original kitchen.

From reading the SOW, it's clear to me Admiral hasn't used the same (solid wood) material Miss A said she had in her original kitchen. However, Admiral has said it has provided a cash settlement on a like for like basis. So, I asked both parties to provide evidence to support its viewpoint.

Admiral didn't respond to this request, whereas Miss A has provided written documentation from one of Admiral's representatives. I've reviewed this document, which reads:

"Good Morning [Miss A]

I've spoken with X and other technicians who visited your property, they have confirmed that the kitchen units were solid wood.

As the units and other materials we took for disposal were taken in our vans they were disposed of at our nearest depot in the appropriate skip there.

Also, I can see a man in a van service was also organised, they would have collected anything for disposal and then taken it to their location to be correctly disposed of".

Claims handler, representative org.

As Admiral's own representative has confirmed what Miss A said in respect to the materials, I'm persuaded by what Miss A has said on this, therefore I intend to uphold this complaint. As Admiral's quote isn't based upon the correct quality of materials, I don't find it reasonable.

Miss A provided quotes by independent contractors to supply and fit the kitchen. She tried where possible to answer the questions posed by Admiral. I can see that she wasn't able to provide the full details, e.g. one contractor asked Miss A to pay up to £5,000 deposit to get more detailed plans drawn up and provide detailed costings. However, I can see Miss A has provided quotes for kitchens ranging from around £38K up to around £50K. These quotes are extremely limited in detail. I'd expect any reputable business who quotes for work of this significance to provide much more detail to substantiate their prices. There is one quote which has more detail, but it doesn't appear to have any business headings to the quote or any signature. I don't think these quotes can be relied upon and used as a basis for calculating a cash settlement.

When Admiral provided Miss A with what she thought was a low-ball cash settlement offer, Miss A asked Admiral to provide the same level of detail she was asked for from her contractors. Admiral wasn't prepared to do this, although it did increase its original cash offer based upon some of Miss A's challenge.

However, Admiral has provided a cash settlement based upon the cost of it doing the works.

Normally, our service would say this was fair if Admiral were able to do the works. Miss A has been provided with the schedule of work, but Admiral isn't prepared to share the detailed pricing as it is commercially sensitive. I've reviewed the schedule of work and have seen the pricing. It is detailed and comprehensive, albeit it is based on the wrong materials.

However, Miss A said *"my decision to use my own contractors was made only after prolonged delays, poor communication, and lack of clarity from Admiral. It's unfair to penalise me for seeking a resolution when Admiral failed to manage the claim effectively"*.

For the reasons I've set out I don't think Admiral has been able to do the work as it hasn't worked with Miss A to provide a kitchen with a like for like quality. This has meant Miss A has sought out her own contractors to do the work.

Similarly, I don't think the quotes Miss A has provided have had sufficient detail for Admiral to have considered these properly to provide a cash settlement based upon these. It tried to get more details to gain assurance, but Miss A was unable to provide this.

So, for these reasons, I can see why an impasse between the parties was reached. Miss A didn't think Admiral's pricing was based on like for like materials, and Miss A's quotes didn't provide any sufficient detail.

I do intend to uphold this complaint however, as I don't think Admiral's cash settlement is fair. Therefore, I intend that Admiral offer to complete the repair works using like for like materials (incl. solid wood worktops and carcasses). It should provide a date to Miss A of when it could start the work. Admiral should also offer a cash settlement based on the cost of it doing the works, so Miss A can use her own contractors to do the work, should she choose to have a wider scope of works completed. Miss A should recognise the cost of Admiral completing the work will likely be lower than market rates (i.e. what it costs her to get contractors in to do the same work) as Admiral will have lower commercial rates negotiated with a network of suppliers, based upon economies of scale.

However, if Admiral can't carry out the works within a reasonable timeframe, it should offer a cash settlement based on market rates, but this would require either Admiral to manage this quoting process, or for Miss A to provide more detailed plans and costings for Admiral to carry out a sensible due diligence of the quotes.

In review of the compensation that has been paid by Admiral (£1,500 in total). I think this is fair, given I think there were problems from both parties that has caused the delay in the claim.

Responses to my provisional decision

Miss A didn't accept my provisional decision. She clarified she's, so far, received a settlement from Admiral of £29,384. But to settle her claim she won't accept less than £63,584 in total (so she is expecting Admiral to pay an additional £34,200). Miss A said she can't trust Admiral's representatives to complete the work properly and she will need a settlement based upon market rates (like the estimates she has provided). She doesn't think the information provided by Admiral is sufficient for *"a professional and fair assessment of the claim"*.

Admiral didn't accept my provisional decision. Admiral said my decision assumes the damaged worktop was solid wood. However, it said the worktop was made of laminate and it provided photographs of the original kitchen before it was removed to support its statement.

Admiral acknowledged its quote could be re-visited due to matching issues, but it explained

that comparable solid wood kitchen units are readily available from reputable suppliers. It provided two examples. Admiral said this shows the estimates provided by Miss A are significantly higher than suitable alternatives. Admiral also explained its offer made an allowance within the schedule of works to reflect the kitchen units and door / drawer fronts were solid wood. It shared evidence to support this.

Admiral said:

"I'm happy that our interpretation of the policy terms was reasonable and consistent with the claim. Whilst I accept that some uplift may be appropriate due to matching issues, the extent of the claim as upheld does not reflect a proportionate or evidence-based outcome. I would ask that the Ombudsman reconsider the decision considering the above evidence, particularly the misidentification of the worktop material and the availability of comparable units.

If it's accepted that the worktops are laminate, and not solid wood, as evidenced then we would arrange for an updated schedule to be produced with costs as of today, this will then be presented to Miss A. We will also look to engage a network contractor to attend and provide a schedule, along with a target start date, and manage the claim accordingly based on Miss A's choice of progression. We would also be happy to review any amended quotes provided by Miss A, these will need to include more detailed plans and costings for us to consider further".

Provisional decision (no.2)

I made a second provisional decision on this on 17 November 2025. I said:

I reviewed the responses provided by both parties and the new evidence provided by Admiral. Having now had opportunity to review the photographs of the original kitchen, I think Admiral has been fair in saying the worktops were laminate (not solid wood). The photographs support this. Miss A has also acknowledged this fact in a later response.

The photographs are also useful, as it provides me a better opportunity to visualise the type / size of the original kitchen and the scale of the repairs / replacement required. I can understand why Admiral wanted Miss A to provide more detail to support her quotes. As a layman, I don't think a settlement for more than £60,000 is realistic. I don't think a replacement kitchen (like Miss A's) would cost this amount at a fair price.

As I've said previously, I thought Admiral's schedule of work was *"detailed and comprehensive, albeit it is based on the wrong materials"*. Admiral has clarified and evidenced that its schedule included solid wood units and door / drawer fronts, and it has provided evidence of the worktop. However, it has acknowledged that its settlement could've been higher if it had taken a fairer approach to matching. Therefore, an updated settlement applying the same thorough detail and updated for today's prices would be a reasonable way forward in my view.

I asked Admiral to provide an updated cash settlement based upon the fairer approach to matching. Admiral provided this and corrected some points in the quote where it had accidentally omitted items. It added these sums in. The revised cash settlement quote Admiral provided was £31,453 (which is £4,320 more than it originally paid to Miss A). I've checked the details, and Admiral has made the changes it said it would.

I provided the updated schedule of work to Miss A for her review and Admiral's explanation of what caused the settlement offer to increase.

Miss A rejected the increased offer. Miss A said *“[The amount offered by Admiral] is approximately 88% below the full outstanding balance required to restore my home to its pre-loss condition with like-for-like materials. The quotations I provided for work, tiling, decoration, and installation are based on actual contractor site visits, not hypothetical estimates”*.

Miss A said *“For the reasons [that the ombudsman set out in his original decision], I do not want Admiral to execute the works. My decision to appoint my own contractors came after repeated delays, poor communication, and lack of clarity from Admiral. It would be unfair to penalize me for seeking a prompt and fair resolution through this route”*.

With the updates Admiral has made to its detailed schedule of work, the explanation it has provided and the corrections it made to its settlement offer, I'm persuaded Admiral has now made a fair offer. The detail of the schedule of works is far greater than that provided in the high-level estimates given by Miss A's own contractors. Miss A has said she won't accept any settlement other than that based on one of the high-level estimates made by one of her contractors (which amounted to a settlement over £60,000). I've already said that I don't think this is realistic. Miss A said she can't (or her contractors won't) provide any more details. So, although Admiral has offered to review revised quotes from Miss A if they contain a greater level of information and transparency, I don't think this will move this complaint to a conclusion. As Miss A said she can't provide this.

Given Admiral has acknowledged some errors and increased its settlement, I intend to uphold this complaint. However, I think Admiral's latest offer of increasing its final settlement by £4,320 is fair. Therefore, I intend that Admiral pay Miss A £4,320 as final settlement.

However, as Admiral has also offered to do the work, I intend that Miss A could re-pay the settlement she has already received and ask Admiral to carry out the works per the updated schedule of works that Admiral has provided. Whilst, I do appreciate Miss A said she didn't want to use Admiral's contractors, I think it's important this route is open to Miss A as paying for her own contractors will be at market rates and not the rates Admiral can achieve.

For clarity, I don't think Admiral should have to pay market rates, as I think the delays were caused by both parties from both having deeply entrenched views. I think both parties equally caused this delay.

However, I think Admiral has caused some issues with not providing an accurate settlement offer initially. Whilst, I don't think this would've changed the overall timeline or outcome of the claim, as the difference in views was so great, I do think these errors has caused some distress and inconvenience, so I intend Admiral pay an additional £300 compensation for this.

Responses to my provisional decision (no.2)

Miss A rejected my provisional decision. Miss A said:

“I formally reject Admiral's kitchen Schedule of Works (SOW) as unacceptable. The SOW relies heavily on provisional items rather than confirmed quantities or materials. Key components, including cabinets, drawers, and doors, are not specified with accurate materials or dimensions, creating significant uncertainty over cost, scope, and quality. The proposal does not provide a definitive total cost or guarantee reinstatement to pre-loss condition. Accepting it would risk incomplete, substandard, or overpriced works. My rejection protects my interests and aligns with industry best practice for fair reinstatement.

Admiral's schedule lists trims, panels, and finishes mostly as “EA” or provisional items,

without precise dimensions or confirmed materials. Essential elements such as cornices, plinths, wall panels, and base panels remain vague. In contrast, [the new quote] specifies all dimensions (H × W × D), material types (all wood), installation instructions, and clearly distinguishes provisional items from confirmed ones. This ensures transparency, accurate pricing, and full reinstatement to pre-loss condition.

Importantly, provisional pricing carries a risk of unexpected additional costs. Any compensation awarded should be allocated toward covering these potential costs. The [new quote Miss A provided] removes this uncertainty by providing fixed pricing for confirmed items alongside clearly identified provisional items.

Overall, [new quote Miss A provided] meets and exceeds the standards expected of an insurance-compliant SOW. It provides precise measurements, specifies all materials, includes installation and protection instructions, separates provisional items, and sets out subtotals and a total cost with clear exclusions. This provides certainty and confidence that the works will fully reinstate the property to its pre-loss condition”.

Miss A has asked for a further settlement from Admiral of £24,238 to accept the claim. Miss A said the laminate worktop has been excluded from the analysis.

Admiral accepted my provisional decision. It said *“I can confirm, we would be happy to accept the Ombudsman’s decision and to pay the remaining £4,320 to settle the claim. Alternatively, if Miss A would prefer our contractors to carry out the works we would be happy to arrange this upon receipt of the already settled £31,453”.*

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’ve reviewed the new quote provided by Miss A for her replacement kitchen units. This is more detailed than I’ve seen before. Unfortunately, it doesn’t change my decision on this complaint for the reasons I’ve set out previously.

Admiral’s liability under the claim is to return the kitchen to its pre-loss condition. It has offered to do these works and has presented a comprehensive schedule of works to support this aim.

When Miss A said she didn’t want Admiral’s contractors to do the work, it offered a cash settlement that is comparative to the cost for Admiral to get the works completed through its network of suppliers. Naturally, these costs will be at a significant discount for Admiral due to its large buying power. So, if Miss A chooses to have the work completed by her own contractors, she will likely need to contribute a significant amount as the cost of getting her kitchen repaired at market rates is likely to be considerably higher.

As, I’ve previously stated, having seen photographs of the pre-loss condition of the kitchen, I don’t find costs of over £60,000 realistic for returning it to its previous condition. I think Admiral’s costs are more in line with what I would expect, when also considering the discount it would receive through its supply network.

I’m not persuaded that the quote Miss A has provided gives me anymore certainty over the quality of the final repairs compared to the schedule of works Admiral has provided. She states that her quote states wood materials, but I think Admiral’s does too. I think Admiral has provided a comprehensive list of the work that is required and I think this has been difficult due to the breakdown in relations between the two parties. However, with any large

project, it's possible there will be small variations to the on-site work required compared to what was planned due to tweaks in requirements or difficulties with the build. But, this would need managing reasonably by both parties.

I'm not persuaded Miss A's quotes provide more certainty on the overall price. If Admiral did the work, the price is irrelevant as Admiral are covering the costs, so there isn't any cost to pay to Miss A unless she specifically asks for some betterment during the build. With the cash settlement she would receive a fixed amount, so both these avenues provide absolute certainty.

So, whilst I know this will be disappointing for Miss A, I'm not persuaded by this new information, so I maintain the decision I made in my last provisional decision.

My final decision

My final decision is that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to:

Based on Miss A's choice, either:

- Complete the works in line with the latest schedule of works (shared as part of this complaint) – Miss A would need to re-pay the settlement she has received first, before the works commence, or
- Pay Miss A an additional cash settlement of £4,320 (taking the total settlement to £31,453),

And

- Pay Miss A £300 additional compensation – for distress and inconvenience (in addition to the £1,500 compensation already paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 30 December 2025.

Pete Averill
Ombudsman