

The complaint

Mr and Mrs B complain about Admiral Insurance (Gibraltar) Limited's handling of their home insurance claim

Admiral is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As Admiral has accepted it is accountable for the actions of the agents, in my decision, any reference to Admiral includes the actions of the agents.

Mr and Mrs B are joint policyholders, but most of the communication regarding the complaint has been from Mr B. So, I'll refer mainly to him in my decision.

What happened

In January 2024, Mr and Mrs B made a claim under their home insurance policy with Admiral after an escape of water caused damage to their home.

Admiral instructed one of their suppliers (D) to validate the claim, and a surveyor was sent out to assess the damage. D raised some concerns about the validity of the claim, so Admiral instructed another supplier (Q) to assist with the validation. Mr B was interviewed as part of the validation process. Admiral accepted the claim in March 2024 and instructed Q to deal with it.

Q advised that Mr and Mrs B would need to be placed in alternative accommodation while repair works were carried out. But there was a delay in instructing their accommodation agents to find a property for Mr and Mrs B. The agents had difficulty finding a suitable property over the summer season. Mr and Mrs B ended up arranging their own accommodation.

Asbestos removal, strip-out and drying works took place in around September 2024. Mr and Mrs B were provided with a cash settlement for the repair work in December 2024.

Mr B complained to Admiral about its handling of the claim. Among the concerns he raised were the actions it took to validate his claim, the unprofessionalism of its staff and suppliers, and a failure to provide alternative accommodation. He was also unhappy about delays, poor communication and the handling of his Subject Access Request (SAR).

Admiral acknowledged there had been some poor service and avoidable delays. It paid Mr B £750 for distress and inconvenience as well as £25 towards the cost of his calls and £25 for a delay in addressing his complaint.

Mr B remained unhappy and asked the Financial Ombudsman Service to consider his complaint. Admiral offered to pay Mr B a further £400 to settle his complaint but he decided not to accept this. So, our investigator looked into his concerns.

Our investigator concluded that there were some failings in Admiral's service, but she thought its offer of compensation was reasonable.

Mr B disagreed with our investigator's outcome. He wasn't satisfied she'd fully considered the issues he'd raised. He also commented that if what had happened to him and Mrs B did not attract the maximum sanction, he would be keen to understand what the Ombudsman considers to be severe enough. So, the complaint has been 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.

Having done so, I've reached broadly the same conclusions as our investigator. I'll explain why.

I've considered everything Mr B has told our service, but I'll be keeping my findings to what I believe to be the crux of his complaint. I wish to reassure Mr B I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

I thought it would be helpful to provide some clarity about the Financial Ombudsman Service's role and the scope of the complaint that I'm deciding. Our role is to resolve disputes between complainants and financial businesses, to help both parties move on. It isn't our role to handle a claim or to deal with matters as they arise. In this decision, I've considered events complained of up until Admiral's final response letter of 27 March 2025.

Mr B has commented about "*sanctions*" imposed by the Ombudsman. To be clear, the Financial Ombudsman Service is not a regulator. That is the role of the Financial Conduct Authority (FCA). The Ombudsman Service doesn't have the power to fine or punish a business. Our role is to decide if a business has acted unfairly and, if we conclude it has, to tell it what to do to put things right. In this case, Admiral has offered Mr and Mrs B compensation for poor service. So, I've thought about whether what it's offered is enough to put things right, considering the impact on Mr and Mrs B.

The relevant industry rules require insurers to handle claims promptly and fairly. They should also provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress.

Claim validation

Mr B says Admiral carried out an unnecessary fraud investigation which delayed the progress of the claim and caused him and Mrs B distress.

Admiral says the claims manager from D raised concerns after reviewing the report from the drying company who attended on 13 January 2024, as this differed greatly from the report from D's surveyor on 10 January 2024. While the concerns raised by D were unfounded, Admiral had a duty as an insurer to investigate them.

D's surveyor report says the only area requiring assisted drying was the bathroom. It refers to the ceiling of the kitchen being damaged but says no assisted drying was required there.

The report from the drying company (P) says there was "*quite a lot of damage to the kitchen*" and drying was required to it, the bathroom and the lounge. The report says wall units, wall tiles and some base units of the kitchen would need to be removed. It says the cooker had

water and plaster flow through it and it recommends it's deemed beyond economical repair. It also refers to swollen end panels, cornice and pelmits.

Given the discrepancies between the two reports, I can understand why the claims manager had concerns. The damage noted in P's report was significantly more than what there appeared to be when Mr B first raised the claim. While her concerns turned out to be unfounded, I don't think it was unreasonable for Admiral to decide to carry out further investigations to validate Mr and Mrs B's claim.

Mr B says Admiral carried out an unnecessary fraud investigation. He's suggested that Admiral didn't undertake sufficient due diligence before carrying this out. He says it should have found that the reports conflicted, not that there was an increase in damage.

Admiral says it had a duty to investigate the concerns that were raised by its supplier. It says it followed its claim validation process by instructing Q and another supplier to assist with this. I understand that Mr B was interviewed as part of the validation process.

I appreciate this was upsetting and worrying for Mr and Mrs B who felt they were being investigated for fraud. But I'm not persuaded that the actions Admiral took were unnecessary or unreasonable under the circumstances.

Mr B has made a number of comments about the potential impact of being accused of fraud on his and Mrs B's careers. I understand this was a worry for them. But while Admiral might have been concerned about their claim potentially being fraudulent, I haven't seen anything to suggest that Admiral accused Mr and Mrs B of fraud. In any event, I can't consider what might have happened only what actually happened.

Unprofessional behaviour

Mr B has complained about a lack of professionalism of staff from Admiral and D. Admiral says it agrees with this. Allegations that were made were completely unacceptable and unfounded.

I've listened to a call recording between the case manager from D and a member of staff from Admiral which took place in February 2024.

In this call, the case manager explains why she has "*really serious concerns*" about the validity of Mr B's claim. She thought it was odd that he didn't want a certain drying company to attend. She said Mr B had told her he had someone very high up in the insurance industry guiding him with the claim.

While I can understand why the claims manager had concerns about conflicting information regarding the extent of the damage to the property, there was a lot of unnecessary speculation and unfounded allegations directed against Mr B and a family member who was assisting him with the claim. There were also some inappropriate comments about the décor of the house.

I understand Mr B got access to this call recording after making a Subject Access Request (SAR). It was no doubt upsetting for him and Mrs B to hear these comments.

Admiral has also apologised for a failure in providing Mr B with copies of reports from D and P despite him requesting these several times.

I've considered the impact of this unprofessional behaviour and poor communication in the overall amount I think Admiral should pay to put things right.

Alternative accommodation

The policy's terms and conditions say:

"If your home is not fit to be lived in due to loss or damage resulting from a buildings insured risk, we will pay the following:

- *The reasonable cost of temporary accommodation for you, your family and your pets, while your home is being repaired..."*

Mr B says he and Mrs B were forced to live in dangerous living conditions due to delays in sourcing alternative accommodation.

Admiral says D didn't provide alternative accommodation initially because it wasn't deemed necessary and the claim was then put on hold while the further validation checks were carried out. It says Mr B said in January that while it was difficult to prepare food and cook, he didn't want to move into alternative accommodation because he and Mrs B were busy with work and had two pets who did not deal well with outside influences.

Mr B has provided call recordings from March 2024 in which his representative mentioned the poor state of the kitchen ceiling and concerns about the safety of preparing food under it.

Admiral has acknowledged that Mr and Mrs B should have been offered alternative accommodation sooner. It's also accepted responsibility for delays in Mr and Mrs B being moved to alternative accommodation. I understand Admiral's accommodation supplier had difficulty finding suitable accommodation because of the time of year. Mr and Mrs B ended up sourcing their own accommodation. Admiral has acknowledged that this situation might have been avoided if its agent had been instructed sooner. It says repair work could also have progressed much sooner.

I've considered the impact of the delays, inconvenience and poor living standards on Mr and Mrs B in the overall amount of compensation I think should be paid to them.

Subject Access Requests (SARs)

Mr B says there was an inconsistency in Admiral's approach to supplying information under SARs. He says Admiral withheld the most sensitive information which could be shared with him and failed to provide further information.

Admiral says some documents and calls were omitted from Mr B's first SAR in March 2024 so as not to prejudice the ongoing validation taking place at that time. After Mr B queried some of the data, further documents and calls were sent a few days later. However, it has acknowledged it failed to send Mr B some further information it received after the second SAR was sent due to an administrative error.

I've taken this into account when thinking about an award for compensation.

Additional damage

Mr B raised a concern that there may have been additional damage that was yet to be realised because his property was left for eight months before repairs started.

Admiral says that as the claim was cash settled, it would be up to Mr B's contractor to make him aware of any additional damage. Any damage caused as a direct result of the incident would be covered by the claim. I think this is reasonable.

Distress and inconvenience

Mr B has given a number of other examples of poor service in addition to what I've commented on above. While I haven't commented on all of these individually, I have seen other examples of poor communication and avoidable delays to the progression of the claim.

Asbestos removal and strip out works didn't start until around eight months after Mr and Mrs B made their claim. As I've mentioned, Mr and Mrs B were left in poor living conditions over this time period. They were also caused a lot of upset because of the unprofessional behaviour of Admiral's staff and suppliers.

I appreciate this has been a very distressing and worrying experience for Mr and Mrs B. However, Admiral has already paid them £750 for distress and inconvenience and has offered to pay them a further £400. £1,150 is within the range of what our service might typically award where the impact of a business's mistakes has caused substantial distress, upset and worry. We'd award this where there may have been serious disruption to daily life over a sustained period, with the impact felt over many months, sometimes over a year. So, while I empathise with Mr and Mrs B, I'm not persuaded to award compensation above the amount Admiral has already offered.

Putting things right

Admiral should pay Mr and Mrs B £400 for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Mr and Mrs B's complaint and direct Admiral Insurance (Gibraltar) Limited to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 8 January 2026.

Anne Muscroft
Ombudsman