

## **The complaint**

Mrs A is unhappy with the way Admiral Insurance (Gibraltar) Limited (“Admiral”) handled her claim for contents damaged by an escape of water.

## **What happened**

The background to this complaint is well-known to both parties, so I’ve summarised what I think are the key events.

Mrs A claimed under her buildings insurance policy following an escape of water which damaged her outbuilding. When she first reported the loss, Admiral confirmed that the policy was for buildings only, which Mrs A acknowledged during that and a subsequent call.

When Admiral’s contractors stripped out the property, they placed contents which they considered beyond economical repair (BER) in the garden. Anything which was salvageable was boxed up and stored in the house. Due to an error on Admiral’s part, Mrs A was asked to prepare a loss list for the contents which needed replacing. Admiral offered a settlement which it withdrew when it realised its mistake.

Mrs A complained to Admiral. She said it had misled her with its request for the loss list and she’d relied on its settlement offer to replace the items. Mrs A said she’d have salvaged the items had she known sooner that the contents would not be covered.

In June 2025, Admiral issued a final response. It acknowledged its mistake and offered £300 for the cost of removing contents from the garden, along with £400 for the distress and inconvenience caused. But Mrs A didn’t think it was enough, so she brought her complaint to us.

One of our investigators looked into the complaint but he didn’t think Admiral needed to do any more. While he agreed it had made a mistake, he didn’t think Admiral had caused any additional financial loss. Our investigator didn’t uphold Mrs A’s complaint.

Mrs A didn’t agree. She said Admiral hadn’t taken into consideration her known vulnerability, or the fact that her contents had been outside for a significant amount of time such that she’d lost the ability to salvage any of the contents or dispose of them with a financial gain.

Because Mrs A didn’t agree with our investigator’s view, the complaint 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.

Having done so, while I realise this will come as a disappointment to Mrs A, I’ve decided not to uphold her complaint for broadly the same reasons as our investigator.

Before I move on to explain my decision, I want to reassure Mrs A that I’ve noted the

difficulties she's currently experiencing and those which she told Admiral about during her claim. I'm sorry to hear about recent events and how they have affected her, and I've kept these in mind when considering the overall circumstances.

The Financial Conduct Authority's rules (ICOBS 8.1.1) say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. The regulator's principles also say that firms must act in the best interests of their customers and treat them fairly.

The policy sets out the detail of the contract between Admiral and Mrs A and, to begin with, I'll set out the points which are not in dispute:

- Mrs A did not have contents insurance and she was aware of that.
- Admiral acknowledged that due to a communication error during its handling of the buildings claim, Mrs A was asked to prepare a list for BER contents.
- Admiral offered a cash settlement for the BER contents which it then withdrew.
- Some of the contents on the BER list were left outside.
- Mrs A lost contents valued at around £5,900 which Admiral confirmed are not covered under her policy.

As Admiral agreed it made a mistake, what remains is for me to decide how it should put matters right.

Mrs A said the cost of replacing the items increased because of the time the contents were left in the garden. My understanding is that the items left in the garden were either BER and/or appliances too large to store inside. I've noted the purpose of Mrs A's flooded outbuilding and, given the damage was from black water, it's unlikely that the appliances would've been salvageable at no cost to Mrs A for her intended use. Professional cleaning, at least, would've likely been necessary. While Mrs A said she could've obtained some financial benefit from disposing of the contents, I have not seen any evidence of that. Indeed, the collection of black-water damaged items would more likely attract a cost. I understand she has re-used one appliance, though Mrs A didn't say whether she paid to have it cleaned.

Based on the circumstances of the claim and the evidence available, I am not persuaded that the value of the contents damage increased because of Admiral's action of moving the contents to the garden during strip-out work. Admiral offered £300 towards disposal, which I consider fair and reasonable in the circumstances.

I've noted Mrs A's comment that BER does not equate to having no value at all. I agree. It means that the value of the item is less than the cost to repair. But, as I've said above, I have not seen any evidence that the black-water damaged items would've had a salvage value. Mrs A also said that Admiral wouldn't have made a settlement offer if the contents had no value. Admiral's responsibility, if Mrs A had contents insurance, would've been to indemnify her for the loss of her contents regardless of whether they had a salvage value. That's the nature of the business so I can't agree that it wouldn't have made an offer.

Mrs A said whether or not she knew that her policy was buildings only, it does not change the fact that Admiral did not appropriately instruct its contractors and it led her to believe she would receive payment for her contents. This is not disputed and it's this mistake for which Admiral offered £400 compensation. I understand that Mrs A thinks it ought to be more given the distress she's experienced, but I can only take into consideration the impact of Admiral's action. It made a mistake offering a settlement for her contents, one which Mrs A ought reasonably to have known she was not entitled to under her buildings insurance, and it offered compensation by way of apology. The evidence persuades me that Mrs A has not

incurred any additional financial loss as a result of Admiral's mistake.

I understand Mrs A is unhappy with Admiral's handling of her claim, particularly given that it was aware of her circumstances. She said the compensation should be uplifted in recognition of her vulnerability and the impact its mistake had on her. I've thought carefully about what Mrs A has said and the circumstances she's described. In doing so, I've also thought about the impact of the claim itself. The black-water damage meant that her outbuilding had to be stripped of contents, flooring and fitted furniture. This would've always caused distress and inconvenience, even if Admiral had not made a mistake. But, having considered the overall evidence, I have not seen anything to suggest Admiral failed to treat Mrs A fairly. On recognising its mistake, Admiral offered compensation to apologise, and I think that's fair and reasonable in the circumstances.

In summary, in its final response to Mrs A, Admiral offered £300 for the cost of removing the BER items from her garden, and £400 for the distress and inconvenience caused. I've taken this into consideration and I'm satisfied that it is a fair and reasonable offer. That's because the evidence persuades me that the black-water escape damaged the items and they would always have needed replacing given the nature of the flood. And as Mrs A didn't have contents insurance with Admiral, it would never have been liable for the cost of replacement.

### **My final decision**

For the reasons I've given, my final decision is that I don't uphold Mrs A's complaint about Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 18 February 2026.

Debra Vaughan  
**Ombudsman**