

## **The complaint**

Mr A and Miss F complain about how Admiral Insurance (Gibraltar) (“Admiral”) handled a claim under their car insurance policy.

## **What happened**

Mr A and Miss F had a motor insurance policy with Admiral covering their car.

In May 2025 they were involved in a collision causing damage to their car. They contacted Admiral and made a claim.

The costs of repair were disputed between the parties, as Admiral said it thought there was pre-existing problems with the car. It said it would settle the claim with a cash-in-lieu payment of £2,237.65 minus their excess.

Mr A and Miss F were unhappy about the way Admiral dealt with settlement of the claim. They said they’d been told it would be going to a main dealer. They also say their car was in a worse condition when it was returned to them, with scratches, parts missing and problems with the car’s suspension. They say they were left without a courtesy car for a period, and suffered long delays during the claim and had poor service from Admiral’s staff.

Admiral agreed that scratches had been caused while in its care and paid £400 for this. It also paid a further £150 in respect of problems with recovery of the car, and added interest. It added £150 compensation, plus £25 as it thought its complaint handling could have been better.

Mr A and Miss F remained unhappy and brought their complaint to this service. They provided a quotation from a main dealer saying their car needed about £12,000 of repairs and said that they would accept a settlement of around £6-7,000 to close their complaint.

Our investigator looked into it and thought it wouldn’t be upheld. He thought the amount Admiral had agreed to pay was fair.

Mr A and Miss F didn’t agree with the view and asked that their complaint was referred to an ombudsman. So, it’s been passed to me to make a decision.

## **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 read the file, I’m not upholding this complaint. I’ll explain why as I appreciate this will be disappointing for Mr A and Miss F.

This service isn’t an expert on automotive matters. We use the information on file to help arrive at a decision that’s fair and reasonable. I can see from the file that Admiral arranged for an inspection of the car when it arrived at Admiral’s approved repairer. The engineer who carried out the inspection reported that the car had several issues ‘stored’ in its memory, as

well as 'current' problems. There were other areas of damage on the car noted by the engineer.

The engineer said: *"Due to all of the above noted faults on the vehicle, the repairer will not be able to clear all of the faults and will be unable to return the vehicle to the insured in a safe and roadworthy condition. This is why I would suggest that the insured be indemnified for their loss by means of Cash In Lieu of repairs..."*

Under the terms of the policy, Admiral is allowed to choose the way it settles a claim:

*"Section 2: Damage to your vehicle*

*We will decide how to settle your claim and will either pay:*

- *to repair your vehicle*
- *a cash sum to replace the damaged vehicle.*

*If we give you a cash sum, the most we will pay is the market value of the vehicle. Should we deem your vehicle repairable but are unable to complete or guarantee the repairs, we will offer you a cash sum to cover reasonable costs of parts and labour."*

This type of wording is common in motor insurance, and I think its meaning is clear.

Admiral said it would settle the claim as cash-in-lieu of repairs due to the issues found by its engineer, and it would pay £2,237.65 less the excess. I think Admiral's decision to settle the claim in this way is fair and reasonable.

Mr A and Miss F asked a main dealer to provide a quote for the same repairs, and the total was over £12,000. Admiral commented on the main dealer's pricing and said it didn't think the amount was reasonable. I note that Admiral's wording says it will cover the *"reasonable costs of parts and labour"*.

Because Mr A and Miss F weren't happy with Admiral's proposed settlement of their claim, it arranged to re-inspect their car. By this time, the rear suspension had collapsed (I'll mention that the type of suspension used on the car has airbags as the suspension medium).

The engineer commented:

*"On starting the vehicle, the air compressor can be heard working, when close to the offside rear wheel, you can hear air escaping.*

*I did note that the offside suspension bellows is very corroded."*

They continued to talk about the possible cause, and said:

*"Possible cause is unknown this would require further diagnosis by a main dealer, at present it appears unrelated to the impact to the quarter panel."*

What this would seem to mean is that an expert has inspected the car and said they don't think the collapse was caused by the collision. But, importantly, the expert indicates that diagnosis from a main dealer may be needed to ascertain the reason for it.

There's no information on file linking the collision with the damage being claimed for by Mr A and Miss F. If they are able to provide a suitable, expert report that says the suspension

collapse was due to the collision, then they should provide this to Admiral for its re-assessment. If they incur a cost for this report, and it confirms the link between the damage and the collision, then this service would support Admiral refunding the cost of the report in addition to carry out work to rectify it.

I've also thought about the other parts of Mr A and Miss F's complaint. I can see that their car suffered some damage by being scratched while it was in Admiral's care, and I've read about how there was a delay in the initial recovery of their car and some further problems with the complaint handler. I agree that Admiral's service wasn't very good here, and I can see it caused Mr A and Miss F some distress and inconvenience.

Admiral's response was to pay for the cost of rectifying the scratches, adding a total of £175 compensation, which I think is fair. I don't doubt that this damage caused Mr A and Miss F further distress and worry, and I think may reasonably have meant that they were suspicious of Admiral's service as the claim unfolded.

I've also considered whether Mr A and Miss F were told that their car would be dealt with by a main dealer. I can't hear or see evidence supporting that they were told this, but there's mention that their car would need some level of diagnosis from a main dealer, which may be where some confusion has arisen. So, I'm not able to uphold this part of their complaint.

Mr A and Miss F have also said they were left without a courtesy car during their claim. The terms of the policy say that they'd only be able to benefit from this when using one of Admiral's approved repairers. As Admiral took the decision to pay a cash-in-lieu settlement, they weren't entitled to a courtesy car under the cover. While I appreciate Mr A and Miss F didn't agree with this method of settlement, I've said above that I think it's fair. What this means is that I don't think Admiral needed to provide them with a courtesy car.

Taking everything into account, from the evidence on file, I can't say Admiral acted unfairly in how it settled Mr A and Miss F's claim. And I think Admiral's response to the complaint points raised by them is fair, so I'm not able to uphold this complaint.

### **My final decision**

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Miss F to accept or reject my decision before 15 April 2026.

Richard Sowden  
**Ombudsman**