

The complaint

Mr L is unhappy with Admiral Insurance (Gibraltar) Limited's (Admiral) handling of two claims he made under his motor insurance policy.

What happened

Mr L made a claim under his motor insurance policy after he was involved in an accident in April 2025. Admiral accepted the claim but Mr L was unhappy it decided to repair the damaged rear bumper of his car instead of replacing it. Mr L complained to Admiral and paid for an independent inspection of his car which stated the bumper needed to be replaced with a repair estimate of £3,662.75.

In its response to the complaint, Admiral confirmed it had reviewed the estimate provided by Mr L and it had authorised the repairs. As Mr L was outside the UK at that time, Admiral said it would issue a cash in lieu (CIL) payment. Admiral also reimbursed Mr L the inspection fee and paid him £100 compensation for any distress and inconvenience caused. Admiral then paid £2,159.83 towards the £3,662.75 estimate Mr L had provided. Admiral said it had negotiated this amount with the same repairer Mr L had obtained the estimate from, so it said it wouldn't pay anymore.

In July 2025 Mr L made a claim under his windscreen cover. Admiral declined the claim on the basis that Mr L was outside the UK and referred to its policy terms under the 'Going abroad' section to support its decision. Unhappy, Mr L brought his complaints to our Service for an impartial and independent review.

One of our Investigators looked into these matters. He thought it was fair for Admiral to pay the reduced estimate figure but he thought Admiral caused unnecessary delays by not agreeing to replace the rear bumper sooner and that Mr L had been inconvenienced by having to arrange an independent inspection. The Investigator recommended Admiral pay a further £100 compensation for this delay. But he didn't think Admiral needed to take any further action with regards to Mr L's windscreen claim.

Admiral accepted the Investigator's recommendation but Mr L didn't. Mr L maintained that Admiral should pay the full estimate he was quoted by his repairer of choice for the replacement of the rear bumper. He also thought the £100 compensation was inadequate and requested a higher compensation of £500. About the windscreen claim, Mr L said Admiral should issue a CIL to settle it alongside a further £500 compensation for its poor claim handling. As the complaint couldn't be resolved, it has been passed to me for decision.

I issued a provisional decision on Mr L's complaint. This is what I said about what I'd 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'm aware I've set out the background to this complaint in less detail than the parties have presented it. I'm not going to respond to every single point raised. Instead, I've focused on what I find are the key issues here. I assure both parties, however, that I've read and considered everything they've provided.

I'm also aware that Mr L has raised a number of complaints about Admiral, so I want to make clear that under this complaint I'm considering the issues Admiral addressed in its final response dated 12 August 2025, namely the rear bumper and windscreen claim.

Rear bumper claim

The relevant rules and industry guidelines say Admiral has a responsibility to handle claims promptly, fairly and provide appropriate information on its progress. So, I've considered the relevant rules, the policy terms and the available evidence, to decide whether I think Admiral treated Mr L fairly.

The starting point is the policy terms and conditions which form the contract of insurance between Admiral and Mr L. These say:

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

- to repair your vehicle*
- a cash sum to replace the damaged 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'. So, I'm satisfied that the contract of insurance allows Admiral to exercise its discretion in deciding how to settle a claim. In this case, Admiral agreed with Mr L's suggestion of a cash sum. The dispute now relates to the amount Admiral offered as a cash sum.

It's important to explain that we don't assess or decide repair costs for damage to a car, that's for the experts to do. Our role is to consider if the insurer has fairly considered the available evidence and justified its decision about repairs. To do that, we look at all the available evidence, including anything provided by the policyholder, the insurer, and the repairer.

Mr L feels strongly that Admiral should've paid the full estimate he was quoted by his chosen repairer. He says the repairer could no longer complete the repairs due to him not being in the UK at that time. But Admiral has provided us with evidence showing that it negotiated a lower estimate with the same UK repairer Mr L obtained the estimate from. So, I don't think it was unreasonable or unfair for Admiral to pay the claim in line with what it would have paid Mr L's chosen repairer to repair his car. Also, I'm satisfied the policy terms allow Admiral to pay for 'reasonable costs of parts and labour'. It follows that I won't ask Admiral to do anything differently here.

Having said that, I think Admiral failed to communicate to Mr L that it had negotiated a lower estimate with his chosen repairer. I note that in its final response, Admiral stated that based on the repair estimate Mr L had provided, it'd issue a CIL payment. It then proceeded to pay him the figure it had negotiated. This resulted in Mr L having to make further enquiries to find out why Admiral paid him a different amount which I think would've caused him some unnecessary inconvenience. I'll discuss what I think is fair and reasonable compensation below – as I've addressed the overall compensation I consider to be fair for Admiral's handling of this claim.

Admiral paid Mr L £100 compensation for any distress and inconvenience caused. Our Investigator recommended Admiral pay a further £100 compensation, bringing the total compensation to £200. Admiral accepted the Investigator's recommendation but Mr L said he should receive £500 compensation. So, the remaining issue for me to decide is whether I think the £200 compensation is fair in the circumstances.

I accept that Mr L was inconvenienced by having to arrange an independent inspection. But I note that when Mr L disagreed with Admiral's approved repairer's initial assessment to repair the damaged rear bumper, he simply refused to book his car for repairs. Once Mr L made Admiral aware that he didn't want to use its approved repairer, Admiral said he could use his repairer of choice. I think it was reasonable for Admiral to do so given Mr L's refusal to use its approved repairer.

I note that Mr L only provided Admiral with the estimate from his chosen repairer around the end of June 2025 and Admiral issued the claim settlement in mid-August 2025. So, I don't think Admiral was solely responsible for the delay in settling the claim.

Overall, I think it's fair and reasonable in the circumstances for Admiral to pay Mr L a further £100 compensation for the distress and inconvenience he experienced, so a total compensation of £200. This amount recognises what went wrong with the handling of Mr L's claim including the distress caused to Mr L when Admiral failed to communicate to him the lower estimate it had negotiated. But also that Mr L did have the benefit of his car for the duration of his claim as the car was still driveable. So, the impact of the delays was lessened by Mr L still having access to his car for the period that Admiral didn't progress his claim as it should've.

I'm aware that Mr L will likely be disappointed with this but, having taken into account our published guidance on the payment of compensation for distress and inconvenience, the award of compensation which Mr L is seeking isn't one which I'd consider appropriate in the circumstances.

Windscreen claim

In its final response of August 2025, Admiral said Mr L's windscreen claim wasn't covered due to Mr L being outside the UK and referred to its policy terms under the 'Going abroad' section to support its decision. I've therefore looked at the relevant policy wording to decide whether Admiral declined this claim fairly. The relevant policy terms say the following:

'Cover under this section only applies when

- your vehicle is registered in the territorial limits
- your vehicle is normally kept within the territorial limits
- you have a permanent residence within the territorial limits

Mr L says that his travel outside the UK was temporary and that his residency and car registration remained in the UK. Mr L says he returned to the UK in October 2025. I asked Admiral to provide evidence supporting its position that the above policy terms applied to Mr L's claim. In response, Admiral provided a couple of emails from Mr L in which he stated he was currently outside the UK.

I don't think these emails support Admiral's position here. I say this because Mr L has simply stated he was outside the UK at the time – there's no indication that this was on a permanent basis or that his car was no longer registered in the UK. So, I don't think Admiral has adequately evidenced that it can fairly rely on the above policy terms to decline Mr L's claim.

It's therefore my intention to direct Admiral to re-assess the claim in line with the remaining terms and conditions. I also think that Admiral's handling of this claim has caused Mr L some unnecessary distress and inconvenience. So, I think it should also pay him £100 compensation for this.

Responses to my provisional decision

I invited both Mr L and Admiral to respond to my provisional decision. Neither party accepted my provisional decision.

Mr L said he didn't think the compensation amount I intended to award sufficiently compensated him for the distress and inconvenience caused by Admiral's poor handling of his claims.

Admiral said it didn't think it had dealt with Mr L's windscreen claim unfairly. It said that at the time it issued its final response in August 2025, Mr L was outside of the UK and had not indicated any plans to return. So, it said its decision to decline the claim was correct at the time its final response was issued.

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 carefully considered the comments raised. But I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it has affected what I think is the right outcome.

I note Mr L's comments in response to my provisional decision, but I maintain that the £200 compensation I awarded due to Admiral's poor handling on the first claim and the £100 compensation I awarded on the second claim to be fair, reasonable and proportionate to reflect Admiral's service failings and the impact on Mr L. I've reached this conclusion having referred to our published guidelines on these types of awards which can be found on our website.

I've also considered Admiral's comments that at the time it issued its final response, Mr L was outside of the UK. And so, it believes its decision to decline the claim was correct. However, the starting point with any insurance claim is the insured, in this case Mr L, must be able to demonstrate within reason that an insured event covered by the policy has occurred as described. If the insured can pass this test, the onus then passes to the insurer, in this case, Admiral, to respond and settle the claim or show that they can fairly rely on a policy term or exclusion to decline the claim.

In its final response, Admiral relied on its policy terms under the 'Going abroad' section to decline the claim. I explained in my provisional decision why I didn't think Admiral had adequately evidenced that it can rely on those terms to decline the claim. I said that the only evidence Admiral had provided to support its decision were a couple of emails from Mr L in which he stated he was outside of the UK at the time. The policy terms Admiral referred to don't entitle it to decline a claim simply because a policyholder is temporarily outside of the UK. And so, I remain of the opinion that Admiral declined this claim unfairly.

Taking everything into consideration, I see no reason to reach a different conclusion to the one I reached in my provisional decision. So, my final decision remains the same as my provisional decision, and for the same reasons.

My final decision

For the reasons I've set out above, subject to either party providing further information, I intend to partially uphold this complaint and require Admiral Insurance (Gibraltar) Limited to do the following to put things right:

1. Pay Mr L a further £100 compensation for distress and inconvenience for its handling of the rear bumper claim; and
2. Re-assess Mr L's windscreen claim in line with the remaining policy terms and conditions; and
3. Pay Mr L £100 compensation for the distress and inconvenience caused by its handling of the windscreen claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 13 February 2026.

Linda Tare
Ombudsman