

The complaint

Mr B and Ms C complain about the way Admiral Insurance (Gibraltar) Limited (“Admiral”) dealt with a claim they made on their home insurance policy.

Mr B and Ms C are joint policyholders but for ease I’ll refer to Mr B since he brought the complaint to this Service.

What happened

Mr B and Ms C had home insurance with Admiral.

In December 2022 Mr B made a claim on his home insurance policy after noticing cracks to the bathroom. The claim was for potential subsidence with damage to the rear extension with diagonal cracking internally.

Admiral appointed its agent to look into the claim and sort out the repairs. When it carried out a drainage survey, several issues were found, so repair work was arranged. Once the ground was opened up, a void was discovered under the foundations. It looked like a rainwater pipe had been draining straight into the ground, washing the soil away and creating the void. Admiral filled this with dry material and reinstated the ground and block paving.

When the area was opened up again to finish the drainage repairs, another void was discovered. Because of this, Admiral brought in a loss adjuster to arrange a ground survey to work out how big the problem was. They also found another rainwater pipe at the front right-hand side of the property that was discharging into the ground, but Mr B arranged to have that one redirected.

Mr B says there have been numerous delays, errors and missed steps in the handling of the claim.

Mr B wasn’t happy with the service received from Admiral. He said there was a lack of technical competence, project management, quality control and overall managing of the claim from Admiral. All of this led to significant avoidable delays which put Mr B at risk and caused financial loss. Mr B also complained that property prices in the area he had hoped to move to had increased substantially during the course of the claim. So, Mr B complained.

Admiral accepted its handling of the claim fell below what Mr B was entitled to expect. It agreed there had been errors and delays and that caused Mr B distress and inconvenience. So it apologised, assured Mr B the claim would be monitored by a claim handler, and paid him £700, and then a further £400 following a second complaint. Mr B remained dissatisfied; he said the offer doesn’t reflect the stress and inconvenience caused. So, he referred his complaint to this Service.

Our Investigator considered the evidence and concluded Admiral had acted fairly. He said Admiral accept there were considerable delays in the handling of the claim. And paid £1,100 for the distress and inconvenience caused. So he didn’t recommend Aviva take any further

action in respect of the complaint. Mr B didn't agree. He said the compensation offered was unfair given that Admiral only took action to deal with the claim because Mr B made a complaint and was regularly checking on the claim's progression. Mr B was also disappointed that the Service was unable to include hypothetical calculations to consider the direct impact of a business' failings. Because Mr B didn't agree the complaint has come to me to decide.

In February 2026 I used a provisional decision on this complaint, a copy of my findings is below:

I can see there has been some back and forth around the scope of the complaint. I am sorry this wasn't made clear at the outset of the investigation. For the avoidance of doubt my review of this complaint is up to Admiral's final response letter dated 27 June 2025. I note Mr B wasn't happy that the Investigator considered the subsequent final response letter from Admiral. I asked Mr B to provide me with his evidence and any information he wanted to provide in respect of the subsequent final response letter but no response was received so I have issued this provisional decision in order to give both parties an opportunity to respond.

Our Service assess complaints independently within a fair and reasonable remit. We don't act for either a consumer or a business. And I want to assure Mr B that in considering the complaint I've thought very carefully about what happened here. I have focused on the key elements of the timeline and what I consider to be the crux of the complaint – in line with our remit as a quick and informal alternative to the courts. No discourtesy is meant by that, nor is it my intention to minimise in any way what Mr B and his family went through.

An insurance claim of this type won't always be totally hassle free. And from what I've seen Admiral accept the service it provided was poor at times. Mr B has provided compelling and consistent testimony about the impact the whole matter has had on the family – including being unable to use facilities and having to try and manage the claim. I think this has been further compounded by poor communication from Admiral and no meaningful updates as to the scale of remaining work and the likely timescales for completion.

Delays

I can see a number of issues relating to the claim were outside of Admiral's control. There were issues with voids being detected that then needed to be dealt with, together with the discovery of a manhole on the water company's public foul sewer which had previously been built over. So while I understand these would have been frustrating I can't say Admiral were responsible for delays as a result of these issues.

Admiral accepts there have been avoidable delays and some errors in the handling of the claim. I think these errors caused significant inconvenience for Mr B. I think having to make continuous calls and emails together with feeling as though the claim wasn't being dealt with properly would have caused a lot of problems and worry over several months. And I think this could all have been avoided or had more limited effect if Admiral had acted sooner, and more proactively.

And had Admiral acted fairly in the first instance I don't think Mr B would have needed to continue to engage with Admiral, and this Service, in an attempt to obtain updates as to the repairs and to get the claim resolved. I'm satisfied this has taken time and effort from Mr B, and I don't doubt it would have been stressful during that process.

Sale of property and house prices

It isn't clear from Mr B's submission whether it was his intention to move house or what steps were taken to value his home. I am unable to hold Admiral liable for any increase or decrease in the market value of his property or that of any property in an area he intends to move to.

The policy says, "we will not pay for any reduction in the market value of your home as a result of rebuilding, repairing or replacing any damage part of your buildings due to an incident covered under this policy".

I haven't seen any evidence that a sale for the property had been agreed. Mr B provided details of house prices in the area he wants to move to, but there is no agreed sale, or evidence that details any financial detriment here. And in the absence of such evidence of actual loss, I'm unable to ask Admiral to pay for any perceived shortfall in the value of the property.

The same reasoning applies to potential rental income. I'd only expect an insurer to pay this where a loss can be proven. And as there was no tenant in place, or signed rent agreement, there isn't enough to say that rent would have been received if it wasn't for Admiral's actions. I've thought about this and Mr B's calculations of loss carefully, however there is no way to know precisely what, if any, the loss is. Rental income and other calculations are untested – by that I mean we don't have any evidence of what it actually was, or how long any rental term would have been. So it isn't my intention to direct Admiral to pay anything towards the calculations provided.

Distress and inconvenience

To apologise for the avoidable delays and service failings, Admiral have offered a total of £1,100 compensation (£700 on 3 January 2025 and £400 on 27 June 2025).

I've therefore considered whether the amount of compensation already offered is fair and reasonable in the circumstances and in line with our approach which can be found on our website.

I appreciate the cumulative effect of Admiral's failings caused substantial distress and inconvenience waiting for updates, chasing repairs and the scope of works, and having to chase Admiral to get the claim resolved so the repairs could be completed and Mr B could get on with daily life.

Mr B has referred to the impact Admiral's failings have had on the family. But please note, I can't consider any direct impact caused by Admiral's failings on all of the members of your family – only to the joint policyholders. However, I understand that witnessing any upset being caused to your family would have caused you further distress.

We say, 'An award of over £750 and up to around £1,500 could be fair where the impact of a business's mistake has caused substantial distress, upset and worry – even potentially a serious offence or humiliation. There may have been serious disruption to daily life over a sustained period, with the impact felt over many months, sometimes over a year. It could also be fair to award in this range if the business's actions resulted in a substantial short-term impact.'

I am therefore satisfied that the total amount of compensation already offered by Admiral fairly recognises the impact that its failings had which I've referred to above and is in line with our approach.

For the reasons I've explained, I won't therefore be asking Admiral to do anything further. I appreciate this will come as a disappointment to Mr B as it isn't the outcome he'd hoped for. But I hope he will understand from what I've said why I formed this view.

Responses to my provisional decision

Neither party responded to my provisional 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 done so, I haven't been provided any information from either party which alters the findings set out in my provisional decision. So, the findings set out in my provisional decision are now that of this, my final decision.

My final decision

For the reasons explained I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Ms C to accept or reject my decision before 5 March 2026.

Kiran Clair
Ombudsman