

The complaint

Mr N complains about how Admiral Insurance (Gibraltar) Limited handled his claim following a car accident. He says there have been communication issues and avoidable delays to settling the claim. He's particularly unhappy with the amount of the total loss settlement paid to the car leasing company. He says Admiral benefited from the delays and paid out less to settle the lease agreement because he continued to make his lease payments throughout the claim.

A named driver on Mr N's policy, Mr R, has also been involved in the claim, and this complaint, but for ease of reading I'll refer only to Mr N.

The scope of this decision

I've previously issued a final decision on Mr N's complaint about the service he received from Admiral in relation to this claim between the date of the accident, October 2024, and 5 January 2025. Broadly, he'd complained there had been a lack of communication and avoidable delays in confirming a total loss decision, that he'd had to continue making finance payments for a car he no longer had use of, and that he'd been left without a vehicle for several months.

In that decision I agreed that there were some delays on Admiral's part, most notably between 14 and 25 November 2024, and its communication from the start of the claim to 5 January 2025 had been poor. But I considered the £200 compensation Admiral had paid Mr N in compensation for those failings to be fair. I also made it clear that Mr N remained responsible for his lease payments whilst the claim was ongoing.

This decision addresses Mr N's second complaint about the communication and delays in the period from 6 January 2025 to the date the claim was settled, 11 February 2025. And also, his complaint about the total loss settlement paid to the car leasing company being calculated after he'd made further payments under the lease agreement. This is a different complaint to his previous concern that he had to continue making lease payments during the claim.

What happened

Mr N's car was involved in an accident in October 2024. The circumstances were such that his driving licence was suspended for six months, while he underwent health checks. And the car was initially taken into storage by the police.

For context, Mr N had a 24-month lease agreement for the car. He paid a rental amount of £1,292 each month. He didn't pay a deposit or any rental in advance at the start of the agreement.

On 4 December 2024 Admiral's in-house engineer confirmed that the car was a total loss based on the estimated repair costs. Admiral informed Mr N it would be contacting the police for a report before settling the claim. I understand it requested this report on 19 December 2024.

On 15 January 2025 Mr N contacted Admiral because he'd been notified his car was going to an "auction house". Admiral clarified that the vehicle had been moved to a salvage company, not auction. During this call Mr N raised his second complaint about

communication and delays. The following day, Admiral chased the police report, and a response was received on 20 January 2025 confirming that no further action was planned.

Admiral requested a settlement figure from the leasing company on 21 January 2025. They replied the next day. The settlement figure was £118,920.

Mr N's claim was settled on 11 February 2025 with the settlement figure being paid to the leasing company, less Mr N's excess.

Admiral responded to Mr N's second complaint on 16 February 2025. It offered him £250 for continued communication issues (including the miscommunication around the car being auctioned) and further delays since 5 January 2025. It didn't address Mr N's concerns about the settlement figure paid to the leasing company; it said only that his concerns about finance payments made during the claim had been addressed under the first complaint.

Mr N referred his second complaint to us. He said he'd been caused significant financial detriment and distress by "*wholly unreasonable and unacceptable*" delays. He said that during the claim period he'd had to make further lease payments, and this had "*effectively reduced the final settlement figure*" and "*unfairly benefited*" Admiral.

Our Investigator's view

Our Investigator considered Mr N's second complaint. She didn't uphold it. She concluded that some of the delays after 5 January 2025 were in Admiral's control, and that there were times when Admiral's communication fell short. However, she considered the compensation already paid (£250) to be reasonable – enough to recognise that Mr N had to deal with more inconvenience and frustration than he should have. She didn't address his complaint about the settlement figure paid to the leasing company.

Mr N didn't agree. In summary, he said:

- Admiral had failed in its duty to proactively manage the claim and mitigate delays.
- The delays directly resulted in a quantifiable financial loss - the December and January lease payments, totaling £2,583, should be borne by Admiral, as Mr N wouldn't have been liable for these but for the delays.

As no agreement could be reached, the complaint was passed to me to review afresh and decide.

My provisional findings

I issued a provisional decision on 5 February 2026 in which I explained that I agreed with Mr N that Admiral should do more. I said:

"I'll start by saying that I broadly agree with the Investigator that £250 is adequate compensation for the distress and inconvenience caused to Mr N by Admiral's continued communication failings and its slow progression of the claim after 5 January 2025. But, unlike the Investigator, who didn't make a finding on this point, I think Admiral should also reimburse an actual financial loss that I consider Mr N has only suffered because of the delays.

As I said in my final decision on Mr N's first complaint, when a leased car is involved in an accident and becomes unroadworthy or written off the responsibility for making the finance payments whilst the car is out of use remains with the owner/policyholder. However, Admiral also had a responsibility to progress the claim without avoidable delays.

Admiral accepts that it took too long to get from the date of loss to a settlement (that's partly why it's paid Mr N £450 across the two complaints). I agree. I've previously found that there were some delays on Admiral's part which meant that the

total loss decision was not confirmed until 4 December 2024. Had it not been for these delays the total loss decision could have been made by no later than 25 November 2024.

Now, considering Mr N's complaint about the settlement figure paid to the leasing company, I think it also took too long for Admiral to obtain a settlement figure from, and pay, the leasing company.

Where a vehicle is not repairable and is on lease or contract hire the policy says Admiral:

"will pay the lease or contract hire company either the market value of the vehicle, or the amount required to settle the agreement, whichever is less".

In this case the amount required to settle the agreement was the lower amount.

The policy doesn't specify the date on which a settlement figure should be obtained from the leasing company, but I think it's reasonable to expect that a settlement figure should be obtained as soon as possible after a total loss assessment is confirmed. As I've said, I think this should have been confirmed by 25 November 2024. So, it follows that I think Admiral should have obtained a settlement figure from the leasing company before the end of November 2024. But it seems that Admiral didn't approach the leasing company for this figure until 21 January 2025, after Mr N had made further finance payments and thereby reduced the amount owed.

Admiral might say that even if it had obtained a settlement figure from the leasing company before the end of November 2024 it still wouldn't have been in a position to settle the claim until later, after it had received a police report. And police confirmation of no further action wasn't forthcoming until 20 January 2025, after which it still had to review the claim before making the high value payment.

Whilst I appreciate that the circumstances and value of this claim justified confirmation of no further action from the police and a senior internal review, I think both could have been achieved much sooner. Had the total loss decision been confirmed by 25 November 2024, a police report could reasonably have been requested around a month earlier than it was and, more likely than not, received a month earlier. Allowing time for the senior internal review, I think it's reasonable to assume that the payment could have been made to the leasing company well before Mr N's January 2025 lease payment fell due.

If the settlement figure had been obtained before the end of November 2024 and the payment made before Mr N's January 2025 lease payment fell due, as I think it should have been, Mr N could reasonably have expected a refund from the leasing company of any lease payment he'd paid in December 2024, after the settlement figure had been generated, and he wouldn't have had to make the January 2025 payment at all.

Overall, I think it's unlikely that Mr N would have incurred car finance payments for December 2024 and January 2025 but for Admiral's delays. He was, after all, prevented from driving for six months following the accident in October 2024 and I've seen no evidence that he would have entered into another lease agreement for these months."

In terms of a provisional remedy, I said:

"To put things right, I intend to require that Admiral Insurance (Gibraltar) Limited should:

- Reimburse Mr N the amount of the payments he made under the lease agreement after the end of November 2024 and before it was settled on 11 February 2025.*

- *Add 8% simple interest to the award from the date the January 2025 payment was made by Mr N* until the date the award is paid.*

**Mr N should provide confirmation of the date the January 2025 payment was made in response to this provisional decision ...”*

In response to my provisional decision Admiral accepted what I'd said. It agreed to reimburse Mr N the amount of the December 2024 and January 2025 payments he made under the lease agreement (subject to proof of those payments) and to add 8% simple interest to the award from the date the January 2025 payment was made by Mr N until the date the award is paid.

Mr N initially accepted my provisional decision, and he provided some more detail about the payments he'd made towards the lease agreement and when.

Mr N showed that payments were made by direct debit on the 10th of the month and that on 10 December 2024 he'd paid £1,292. However, he explained that he then cancelled the direct debit in anticipation of Admiral settling the outstanding balance on the lease before 10 January 2025. So, no direct debit was collected on 10 January 2025. Mr N went on to explain that he then made a payment of £1,292 on 6 February 2025.

Having considered this further detail I told Mr N that I was minded to change my direction about what Admiral should do to put things right as it seemed the only payment Mr N made on the lease agreement between 25 November 2024 and 22 January 2025 was the 10 December 2024 payment.

I explained that because the settlement figure Admiral paid to the leasing company was generated on 22 January 2025, only the lease payments Mr N made *before* that date could have reduced the amount Admiral paid. Also, that the settlement figure will have included the amount due on 10 January 2025 but unpaid, and that the 6 February 2025 payment would likely have resulted in an overpayment to the leasing company. I highlighted that in its letter detailing the settlement figure, the leasing company had said:

*"Please contact your insurance company and ask them to pay us directly ... You must continue to pay your rentals until your agreement has been settled in full. **We will refund any overpayment to you or offset these funds against any shortfall.**"*

In summary, Mr N replied:

- The November 2024 lease payment should also be reimbursed in part as *“Admiral did nothing about assessing the car for weeks”*.
- Admiral left him in total ignorance about the settlement figure.
- Because the claim outcome had still not been communicated by Admiral, he made a manual card payment of £1,292 on 6 February 2025 to cover the outstanding January instalment – he did this to protect his professional standing and credit rating.
- He should not be forced to chase the leasing company for any overpayment as I should aim to put him back in the position he would have been in but for Admiral's delays.
- The manual card payment he made on 6 February 2025, was *“a direct and foreseeable consequence of Admiral's failure to communicate openly, willingly and transparently”*.
- Admiral should reimburse the December 2024 instalment *and* the February 2025 card payment (representing the January instalment), add 8% simple interest on both amounts and pay £250 for the *“exceptional distress”* caused by its handling and silence.

Mr N also showed me an email sent to Mr R by Admiral at around 3pm on 6 February 2025 which he said, *“evidences the date which we were informed that a net settlement figure had been issued to the lease company”*. This email confirmed the amount Admiral would be paying to the leasing company (£118,920 less Mr N's excess) and said:

“We have sent the net settlement figure to the lease company. As the settlement did not cover the entire balance of your lease agreement, you will now need to discuss the remaining amount with your lease company directly.”

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, although my findings about the handling of the claim are unchanged from my provisional decision, I’ve decided, on the basis of the new information about the lease payments Mr N made, to change my direction to Admiral about what it should do to put things right.

As I said in my provisional decision, I think Admiral could reasonably have made the total loss decision and obtained a settlement figure from the leasing company towards the end of November 2024. Mr N’s lease payment fell due earlier than this, on 10 November 2024. If I consider a counterfactual position where there were no avoidable delays on Admiral’s part, I think Mr N would still have had to make this lease payment. I don’t think Mr N had to make this payment because of any failing on Admiral’s part. So, it wouldn’t be fair and reasonable to expect Admiral to reimburse it.

With regards to the lease payment Mr N made on 10 December 2024 I still find that Admiral should reimburse this. If Admiral had done what I think it ought to have done, it would have obtained a settlement figure from the leasing company towards the end of November 2024 and when it paid that settlement figure, which I think could reasonably have happened in early January 2025, Mr N could have expected, a short time afterwards, to receive a refund from the leasing company of the lease payment he’d paid in December 2024. This is also a payment which, because of Admiral’s slow progression of the claim, did effectively “*benefit*” Admiral. In other words, because Mr N paid this instalment on 10 December 2024 it was not part of the outstanding figure calculated by the leasing company on 22 January 2025, which Admiral later paid.

Turning to the January 2025 instalment, I no longer consider that Admiral should reimburse this. I’ve changed my view because it has become clear, in response to my provisional decision, that Mr N did not, in fact, make this payment before the settlement figure was calculated on 22 January 2025. So, this outstanding amount would have been included in that settlement figure calculation and did not, as Mr N has previously argued, reduce the final amount Admiral paid out.

Mr N has now told me that he made another payment towards the lease by card on 6 February 2025, in lieu of the January 2025 instalment, and he’s explained why. But, as I’ve already indicated to Mr N, I don’t agree it would be fair and reasonable to direct Admiral to reimburse this payment.

Firstly, I acknowledge that this was a payment made after the end of November 2024 and before the lease agreement was settled on or around 11 February 2025. So, it would arguably be included in the remedy I set out in my provisional decision. However, it’s not a payment that was in my mind when I worded my provisional decision in the way I did because Mr N had not previously mentioned this payment as falling due or being paid *before* 11 February 2025. Indeed, in response to the Investigator’s view Mr N said:

“The final settlement was received on 11 February 2025, a delay of nearly four months from the point of loss ... This delay forced us to make three further lease payments (November, December, and January). While we concede that the November payment allows for a reasonable period of time for the insurer’s initial

investigation, we contend that the financial impact of the December and January instalments, totalling £2,583.28, must be borne by Admiral due to their own delay in resolving the claim. These payments effectively reduced the final settlement figure offered by Admiral ...”

Now that I'm aware of this payment being made on 6 February 2025, I've thought carefully about whether Admiral should reimburse this too, especially as Mr N has said it was, strictly speaking, January's instalment, made late. But, as I've explained above, Admiral paid the leasing company a settlement figure which was generated on 22 January 2025, and this would have included the unpaid January 2025 instalment. Unlike the December 2024 lease payment, Mr N's February 2025 card payment towards the lease did not reduce the final settlement figure nor benefit Admiral.

I'm also conscious that Mr N seems to have decided to make this card payment despite being in active communication with Admiral on this date about the status of the claim. Not only has Mr N shown me the email Mr R received around 3pm on 6 February 2025, but I can also see that Mr R called Admiral for an update at 11:58am that day, was advised by email at 12:32pm that the high value review was underway and would be chased, and at 2:53pm received a telephone call from Admiral to advise him that the review had been completed and that the payment would be raised. Whilst I don't know the time he made the card payment, I think he could have avoided doing so given what Admiral was saying that day.

Whatever the circumstances which led to Mr N's decision to make the lease payment by card on 6 February 2025, I consider that this likely resulted in an overpayment to the leasing company when Admiral made the settlement payment. As such and bearing in mind what I've already quoted above from the leasing company's letter, I consider this is something Mr N should talk to the leasing company about. If I were to direct Admiral to pay him this amount this would leave the unfair potential for double recovery. It's also the case that Mr N will have owed the leasing company his £825 excess, and it's entirely possible that the payment he made on 6 February 2025 covered that.

Overall, for all the reasons given here and in my provisional decision, I find that Mr N wouldn't have incurred a car finance payment for December 2024 but for Admiral's delays, and the amount of this should be reimbursed to him by Admiral, subject to proof of payment.

Finally, Mr N has said that Admiral should pay him £250 for the “*exceptional distress*” caused by their handling and silence. I remain mindful that Mr N found this entire experience deeply frustrating, but I don't see any reason to change what I said in my provisional decision about Admiral's continued communication failings and its slow progression of the claim after 5 January 2025. I agree with the Investigator that Admiral's communication fell short, and I also find that the compensation Admiral has already paid (£250) reasonable to recognise the inconvenience and frustration caused by those shortcomings. My role is not to punish Admiral for its communication failings, and I don't consider that more compensation is warranted.

Putting things right

To put things right, Admiral Insurance (Gibraltar) Limited should:

- Reimburse Mr N the amount of the payment he made under the lease agreement in December 2024
- Add 8% simple interest to the award from 10 January 2025 until the date the award is paid.

The interest award reflects my finding that, if Admiral had done what I think it should have

done, and made payment to the leasing company in early January 2025, I think Mr N could probably have expected to receive a refund of his December 2024 payment from the leasing company by no later than the date the January 2025 payment would ordinarily have been due. I therefore consider him to have been out of pocket by this amount since 10 January 2025.

My final decision

For the reasons I've set out above, and in my provisional decision, I uphold this complaint. My final decision is that Admiral Insurance (Gibraltar) Limited should pay the award set out in the 'Putting things right' section, above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N and Mr R to accept or reject my decision before 1 April 2026.

Beth Wilcox
Ombudsman