

complaint

Mr M has complained about Admiral Insurance Company Limited's actions in connection with a claim he made on his motor insurance policy.

Reference to Admiral includes its agents.

background

Mr M's car was damaged in an accident. Admiral arranged for one of its approved repairers to fix it. Mr M was very unhappy with the quality of those repairs and the car remained with the repairers for a long time. And Mr M refused to take it back because he didn't think the repairs were up to standard. Admiral appointed independent engineers to inspect the car. Initially they agreed the repairs weren't up to standard. But eventually they said the repairs were completed to an acceptable standard.

Mr M complained. Admiral acknowledged it hadn't got everything right. It paid Mr M £250 to address his distress and inconvenience, reimbursed him £480 to cover airport taxi fares and paid him around £665 so he could get some further repairs done himself.

Mr M didn't think that went far enough and didn't cash the cheque. He thought Admiral needed to compensate him more than £20,000 in order to put things right. He brought his complaint to us. I issued a provisional decision on 7 December 2020. For ease I've copied my provisional findings below. I said:

"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 it's likely I'll partly uphold it.

In bringing this complaint Mr M has made a number of detailed points. I've considered everything he's said carefully. But in this decision I will focus on what I see as being the key outstanding issues following our investigator's assessment of the complaint.

compensation

I can understand that Mr M found it frustrating that his car was with the garage for so long because the repairs weren't up to standard. Mr M added that Admiral didn't always provide him with a courtesy car while the car was with the garage. Admiral's acknowledged that it didn't give Mr M a courtesy car when his car first went in for repair. Admiral said Mr M didn't initially tell it that he didn't have a courtesy car. And it thinks it's not at fault that Mr M didn't have a courtesy car during that period.

Mr M's policy entitled him to a courtesy car while his car is with Admiral's repairers. So I don't think it's fair that Admiral left him without a car while his car was being repaired, whether Mr M told it about that or not. To put things right I think Admiral should compensate him for the loss of use of a car for that period. I think £10 a day is a reasonable sum. I understand Mr M was without a car from 19 March 2018 to 19 April 2018, which is 32 days.

I also note that Mr M was later without a courtesy car from 19 October 2018 onwards. But he said he was away until 23 October 2018. So I think Admiral should also compensate him for the period he was without a courtesy car after that. And I've noted that Admiral told Mr M on 12 December 2018 that his own car was ready to collect. And, at that time, it had offered him

a cash-in-lieu settlement to repair some other issues with scratches on his car. But it was roadworthy at that time. So Mr M could have picked up his car once he'd received Admiral's letter and I note Admiral said he'd need to do so by 17 December. So I think it's fair that Admiral compensate Mr M, at £10 a day for his lack of use of a courtesy car during that period (23 October 2018 to 17 December 2018). However, I'm aware that Mr M was away on holiday in November, as Admiral reimbursed Mr M for his taxi fares to the airport. I don't currently have the precise dates of Mr M's trip but I think it's reasonable that Admiral doesn't have to pay Mr M £10 a day for the dates he was away, as he wouldn't have had to use the car for that period anyway.

Further, I've noted an independent engineer agreed, more than once, that the repair work wasn't up to standard. And that meant Mr M didn't have the use of his car for an extended period, which was around six months to put things right. So he didn't have the full enjoyment of his car at that time. I can also understand that his unhappiness with the quality of repairs added to his frustration. I'm also aware that he would have incurred costs phoning Admiral for updates and that would have been a further expense. Although, owing to the nature of his phone contract, Mr M can't provide an itemised list of those costs, but I think he will have been out of pocket even if I can't say exactly how much that would have been.

Also, the work to put right the sub-standard repairs took far too long. I understand that would have been an immense source of distress and inconvenience for Mr M. I note that Admiral had previously offered him £250 compensation to address this. But Mr M didn't cash the cheque which incorporated that sum. In any event I don't think that amount is enough given the period involved and the number of things that weren't right. To address this and to cover Mr M's extra expenses, I think Admiral should pay him compensation of £500.

For completeness Mr M's argued that Admiral should reimburse him for the finance repayments he made on the car while it was in for repairs. But I don't think that's fair. The reason that Mr M's car required repairs in the first place was because of the accident and not because of anything Admiral did. And Mr M's policy covers him to repair his car, not to cover his costs for buying it. And each finance payment Mr M was due to pay was a contribution towards the value of the car. And each of those repayments went towards securing the car as his personal asset. I don't therefore think it's reasonable to expect Admiral to contribute towards those costs, as that's not something his policy covers. And, for the most part, Mr M had a courtesy car. So while he would have lost the enjoyment of his own car he was still mobile. It follows that I'm not going to instruct Admiral to cover any of the costs of Mr M's finance repayments.

remaining scratches

After the repairers completed their final repairs Mr M remained unhappy with the car. He said the repairers had caused additional damage to it. The repairers denied this. They said the scratches Mr M referred to were pre-existing. But Admiral agreed to make a cash-in-lieu payment for the cost of repairing the scratches and a scuff to the wingmirror. Mr M doesn't believe that the amount Admiral offered was enough to cover the costs of those repairs. But a qualified engineer provided the estimated costs of the repairs. And Mr M hasn't provided any supporting evidence, beyond his own remarks, that the scratches and scuff would cost more to repair. So I'm more persuaded by the expert evidence than by Mr M's comments. So I think the amount it offered as a cash-in-lieu settlement was reasonable.

depreciation

Mr M also said the poor repairs caused the car to go down in value. He thinks Admiral should compensate him for that. To support his argument, he's shown us that the car sold at auction for around £6,100. And he'd provided the auctioneers' report commenting on the condition of the car. Mr M said the car was worth considerably more than £6,000 before the repairs. He thinks the quality of repairs has caused the car to drop in value. But an independent engineer confirmed that the car had been repaired to an acceptable standard before it was returned to Mr M. So the repairs Admiral carried out shouldn't have affected the value of the car. And it had paid him £665 (although Mr M didn't cash the cheque) to address some other marks to the car. And Mr M could have had those fixed before the car was sold at auction if he felt they were affecting its value.

I've seen that the auctioneers' report points out some issues with the car, including some scratches and scuffs. But most of those were unrelated to the repairs Admiral arranged. And there can be many reasons why a car sold at Auction wouldn't reach the same sale price that a seller might expect if the car was sold on a garage forecourt or in a private sale. So I don't think the fact that the car sold for less at auction than what Mr M believes it was worth is evidence that the repairs devalued it. So I'm not going to instruct Admiral to compensate Mr M for that.

That said given that Mr M hasn't cashed the cheque which included the payment for the cash-in-lieu repairs and the airport taxi fares I think Admiral should pay him those amounts now."

developments

Admiral said my award of £500 compensation is excessive. It repeated that Mr M didn't initially tell it that Admiral's repairers hadn't given him a courtesy car, so it didn't think it should have to compensate him for the period he was without one. It added that Mr M had damaged the repairers' courtesy car but that it was still driveable and Mr M had it until 20 December 2018.

Mr M said he didn't think my provisional decision was fair because he still had to pay the finance for the car. He repeated that the car sold at auction for less than its value; repairs weren't up to standard, and some damage was caused by the repairers which was unrelated to the accident. He said he intended to take the matter further.

my findings

I've considered again all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I'm not going to change my provisional decision.

Admiral's said my award of £500 compensation is excessive. I don't agree. The repairs took far longer than they should have done and an independent engineer agreed - more than once - that they weren't up to standard. And during that period Mr M didn't have the enjoyment of his car, and was put to a lot of inconvenience and additional expense. So I'm satisfied £500 compensation is reasonable in the circumstances, as its similar to awards we make in cases of equal seriousness.

Admiral's repeated that Mr M didn't initially tell it that he didn't have a courtesy car, so it couldn't take actions to put things right. But this is a point I addressed in my provisional decision. It wasn't Mr M's fault that he didn't have a courtesy car. And his policy entitles him

to one, so it was Admiral's responsibility to provide that. And, because it didn't do so, I think it's fair that it compensates him for the lack of use of a courtesy car at £10 a day.

Admiral also said Mr M had damaged the courtesy car and he had it until 20 December 2018. Whether or not Mr M damaged the courtesy car doesn't affect his entitlement to one under the terms of his policy. And I'd previously asked Admiral for evidence of the dates the repairers had provided him with a courtesy car. Admiral's reply showed Mr M had returned the courtesy car on 19 October 2018 and the repairers hadn't provided him with another. And Admiral hasn't shown me with any new evidence, beyond its comments, to show that Mr M had a courtesy car until 20 December 2018. It follows that I think Admiral should compensate Mr M, at £10 a day, for his loss of use of a courtesy car between 23 October 2018 and 17 December 2018, save for the days when Mr M was away on a trip in November 2018.

Mr M's said that he doesn't think my decision is fair because he still has to pay the finance for the car which he no longer has. But it was Mr M's choice not to keep his car, so I don't think it's Admiral's fault if he still has to pay the finance for it. Mr M's also repeated that the repairs weren't up to standard and that the car had other marks not associated with the repairs. And he's said that the car sold at auction for less than it should have been worth.

I addressed Mr M's points in my provisional decision. I noted that an independent engineer had found that, by December 2018, the repairs were up to a reasonable standard. I also said that, while the repairers had disputed that they caused any additional damage to the car, Admiral had paid Mr M a cash-in-lieu sum to repair those. And I thought that was reasonable in the circumstances. I also said that the fact that the car sold at auction for less than Mr M might have expected doesn't mean that the repairs had devalued it. And Mr M hasn't provided any further evidence that persuades me to change my view.

I understand Mr M remains unhappy with my decision. And in those circumstances he doesn't have to accept it and may take any further action he feels necessary to resolve his complaint.

My final decision

For the reasons set out above I partly uphold this complaint. I will require Admiral Insurance Company Limited to:

- Pay Mr M £500 compensation to address his distress and inconvenience and out of pocket expenses.
- Compensate Mr M for the lack of use of a courtesy car, at a rate of £10 a day, for the periods between 19 March 2018 and 19 April 2018; and 23 October 2018 and 17 December 2018, save for any days when Admiral has evidence that Mr M was out of the country.
- Reissue payment for cash-in-lieu of repairs in the sum of £665.42.
- Reissue payment of £480 for airport taxi fares.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 April 2021.

Joe Scott
ombudsman