

The complaint

Miss E complains that Admiral Insurance Company Limited mishandled her claim on her motor insurance policy.

Where I refer to Admiral, I include its approved repairer (“AR”) and others insofar as I hold Admiral responsible for their acts or omissions.

What happened

The subject matter of the claim and the complaint is a premium-brand convertible car with a diesel engine and an automatic gearbox.

Miss E acquired the car from new in late September or early October 2020. She has mentioned that she was making monthly payments for it.

For the year from early October 2020, Miss E had the car insured with Admiral. The premium for the year was about £550.00.

Unfortunately, Miss E reported that, in heavy rain on 23 December 2020, she’d skidded off the road into some surface water running off a field. Her car had little, if any, visible damage. But it wouldn’t re-start and had to be recovered.

Admiral sent the car to its AR. In early January 2021, Miss E complained to Admiral that it hadn’t provided a courtesy car. Admiral agreed to provide Miss E with a hire car. It also paid £30.00 for loss of use and £20.00 to apologise for the delays.

Miss E got her car back on about 15 March 2021. Later that year, Miss E became pregnant. From about 23 August 2021, she had some issues with the gearbox of her car. On 27 August 2021, Miss E took the car to the main dealer franchised by the car maker in the West Midlands. That main dealer told her that – notwithstanding the repair earlier in the year - the car still needed a new transmission, torque converter and oil cooler.

Miss E complained to Admiral. After a few days, Admiral provided Miss E with a hire car. Later it provided a larger hire car.

By a letter dated 22 September 2021, Admiral told Miss E that, after her complaint, it hadn’t been able to send a final response within eight weeks, so she had a right to bring her complaint to us. On about 24 September 2021, Admiral got a vehicle assessor to inspect the car.

Miss E brought her complaint to us in October 2021. At that time, she complained that Admiral hadn’t told her the outcome of the inspection. And she had acquired a new car for her and her baby, so she was making monthly payments on both vehicles.

Admiral wrote a final response dated 11 November 2021. It agreed to replace the gearbox and apologised for shortcomings in its communication. Admiral offered Miss E £150.00 for the distress and inconvenience the situation had caused. Admiral also offered £30.00 for any

fuel used to travel to the main dealer in the West Midlands. For not being able to use her car for the five days between 27 and 31 August 2021, Admiral offered a further £50.00. In total Admiral sent Miss E a cheque for £230.00.

our investigator's opinion

Our investigator recommended that the complaint should be upheld in part. He thought that Admiral was responsible for delay and poor communication. He recommended that Admiral should pay Miss E – in addition to its previous payments - a further £150.00 to make a total of £300.00 for distress and inconvenience.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Miss E and to Admiral on 8 March 2022. I summarise my findings:

The poor communication was for two spells amounting to several months. Miss E was pregnant during the second spell in the autumn of 2021. She was troubled by the thought that Admiral had put her and her unborn baby at risk.

Subject to any further information from Miss E or from Admiral, my provisional decision was to uphold this complaint in part. I intended to direct Admiral Insurance Company Limited to pay Miss E, in addition to the £150.00 it has already paid for distress and inconvenience – a further £350.00 to make a total of £500.00 for distress and inconvenience.

Neither Miss E nor Admiral has added any further information in response to the provisional decision. So I see no reason to change my view.

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.

To be clear, neither Miss E nor Admiral has provided telephone call recordings. But I don't consider that it would be proportionate or fair to incur delay in trying to find recordings at this stage.

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules ("DISP"). We look at an individual consumer's complaint against an insurance company or other regulated financial firm in relation to regulated financial activities. Where we find a firm responsible for an incorrect act or omission, we try to put that right by directing the firm to pay compensation or to make other redress to the consumer.

In assessing fair compensation, we look at the impact of such act or omission on the consumer. That may include financial loss or non-financial loss including distress and inconvenience. We look at the actual impact, but that includes distress at the thought of what might've happened.

We don't direct compensation at a level intended as a penalty or as a deterrent for an incorrect act or omission.

In our final decision, we identify the financial firm, but we anonymise details that might identify any other company or individual.

From what she's said, Miss E got the car from the main dealer franchised by the car maker

in the East Midlands.

Admiral's policy terms included the following:

*"Our approved repairers, or another company instructed by **Admiral** will:*

- arrange collection and re-delivery of **your vehicle***
- give **you** a courtesy car while **your vehicle** is being repaired.*

*All repairs carried out by **our** approved repairers are guaranteed for as long as **you** own the vehicle. Any parts used during the repair are covered under the manufacturer's guarantee. In the unlikely event the repairs are considered unsatisfactory, the approved repairer will have the option to rectify their work. Should the repairs still be considered unsatisfactory, **you** may use another repairer providing **we** agree for the work to be carried out.*

*...
The courtesy car is not intended to be a like for like replacement for **your vehicle**. It will typically be a small hatchback."*

Miss E hoped to get her car repaired early in January 2021. She was paying monthly instalments for it, I think on a personal contract plan (PCP).

After a few days delay for which it paid compensation, Admiral provided a replacement vehicle. Whilst it wasn't as good as her car, I'm satisfied that it was in line with the policy terms.

Miss E didn't get her car back until mid-March 2021. That seems a long time.

But I find it likely that the car had serious water damage. And I haven't seen details of what work or parts the car needed. So - in the absence of an engineer's evidence that the repair should've been quicker – I can't hold Admiral responsible for delay up to mid-March 2021. So I don't find it fair and reasonable to direct Admiral to pay Miss E compensation for the time she was without her convertible.

Admiral's file includes the following note:

"AR advised the gearbox oil was replaced and now works perfect but the management light was still on and the electrician could not switch it off. AR drove vehicle to [main] dealer & they advised vehicle needs new gearbox even though AR advised gearbox works perfectly [Main dealer] investigated further replaced the gearbox control units saving a new gearbox PH has now complained that gears keep slipping and has taken it to a different MD and was advised its due to seal not being fitted correctly & this may have caused additional damage."

I note that – unusually – the complaint form is dated before the final response. Miss E's complaint form included words quoted from an email from the West Midlands franchised main dealer to Admiral as follows:

"This vehicle required a new transmission, torque converter and oil cooler in February 2021 and was reported at the time by [main dealer East Midlands]. This work was not carried out and will require doing so to complete the repairs."

And Admiral had seen that allegation when it wrote its final response including the following:

"In order to investigate, we instructed an Independent Assessor who confirmed he has authorised the main dealer [West Midlands] to remove the gearbox. The gearbox

and torque convertor have been removed. The main dealer confirmed there is no visible damage to the gearbox. The Assessor commented the internal gearbox sump electrical module and gearbox oil were replaced as part of the claim under notice. However, as a fault with the gearbox fault still remains the Assessor is of the opinion that the gearbox should be replaced supplementary to the claim under notice as suggested previously by [car maker] of [East Midlands].”

So I find it likely that Admiral or its AR had led Miss E to believe that the main dealer in the East Midlands had “signed off” the repair in early 2021. I’m satisfied that the main dealer had been involved. And I find that it had initially suggested the need for a new gearbox – which I consider has proved correct with the benefit of hindsight.

But the main dealer replaced the gearbox control units in about February 2021. According to Admiral’s note, this was done after further investigation by the main dealer. And I haven’t seen enough evidence to support Miss E’s belief that the main dealer had maintained in February 2021 that the car should have a replacement gearbox, but Admiral thought otherwise.

From what Miss E has said, she used her car without any gearbox problem between mid-March and late August 2021.

I don’t under-estimate her alarm at the car stalling - especially at a junction. But I don’t find that Admiral had knowingly left Miss E and her unborn baby at risk by not having replaced the gearbox in February 2021.

Over the August bank holiday, there was a delay in providing a replacement vehicle. I hold Admiral responsible for that. But it later paid compensation at a rate of £10.00 per day, which I find fair and reasonable.

The replacement vehicles weren’t as good as Miss E’s car. And she wanted a bigger car as her pregnancy progressed.

Miss E was still paying for the convertible but was unable to sell it while it was under investigation and repair. She hasn’t said exactly when she acquired a second vehicle, but I think it was before she brought her complaint to us in October 2021.

From what I’ve seen, the repair (and the replacement hire vehicle) continued into November 2021. Again that seems like a long time. But in the absence of an engineer’s evidence that the investigation and repair should’ve been quicker, I can’t hold Admiral responsible for delay in the autumn of 2021. So I don’t find it fair and reasonable to direct Admiral to pay compensation for the time Miss E was again without her convertible – or for the costs of acquiring the second vehicle.

Nevertheless – as it has acknowledged – Admiral communicated poorly with Miss E both after the accident and in the autumn of 2021. I’ve thought about the effect of that on Miss E. I accept that she spent many hours hanging on the telephone trying to get updates. And she felt that Admiral was ignoring her.

Putting things right

I give Admiral some credit for its payments to Miss E. But its payment of £150.00 for distress and inconvenience wasn’t enough in my view. The investigator’s recommendation was to increase that to £300.00.

But I keep in mind that the poor communication was for two spells amounting to several

months. And Miss E was pregnant during the second spell in the autumn of 2021. She was troubled by the thought that Admiral had put her and her unborn baby at risk. So overall I find it fair and reasonable to direct Admiral to pay Miss E, in addition to the £150.00 it has already paid for distress and inconvenience – a further £350.00 to make a total of £500.00 for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Admiral Insurance Company Limited to pay Miss E, in addition to the £150.00 it has already paid for distress and inconvenience – a further £350.00 to make a total of £500.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 4 May 2022.

Christopher Gilbert

Ombudsman