

The complaint

Mr Q complains about the way that Admiral Insurance (Gibraltar) Limited has handled a claim he made on a home insurance policy.

All references to Admiral include the actions of the agents acting on its behalf.

What happened

In September 2022, Mr Q made a claim on his home insurance policy after suffering an escape of water. Admiral accepted the claim. As Mr Q was without the use of his kitchen, Admiral paid Mr Q disturbance allowance.

However, there were delays in Admiral's handling of this claim and Mr Q complained. Admiral responded to that complaint in February 2023 and another ombudsman made a decision about Admiral's handling of the claim up until February 2023.

Mr Q continued to experience delays with Admiral's handling of his claim and he felt its communication had been poor. And he remained without a kitchen. So he made a further complaint to Admiral.

Admiral issued a final response to Mr Q's complain on 11 July 2023. It acknowledged that there'd been further, unreasonable delays in its handling of the claim and that it hadn't logged a complaint for Mr Q in a timely way. So it offered Mr Q £300 compensation.

Remaining unhappy with Admiral's position, Mr Q asked us to look into his complaint.

Our investigator thought Mr Q's complaint should be upheld. He didn't think £300 compensation was enough to reflect the impact of Admiral's claim handling on Mr Q. So he recommended that Admiral should pay Mr Q total compensation of £500.

Ultimately, Admiral agreed to pay Mr Q total compensation of £500. But Mr Q didn't agree that this was enough to put things right. So the complaint's been passed to me to decide.

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, whilst I'm sorry to disappoint Mr Q, I think the fair outcome to this complaint is for Admiral to pay him total compensation of £500 and I'll explain why.

First, I must make the parameters of this decision clear. As I explained, one of my colleagues has already decided a complaint about Admiral's handling of the claim up until 23 February 2023. Admiral issued its final response to this particular complaint on 11 July 2023 and so my decision will deal with the handling of the claim after the first final response letter of 23 February 2023 and up to 11 July 2023. While I appreciate the claim still hasn't been resolved and Mr Q remains unhappy with Admiral's handling of the claim after 11 July 2023, I won't be looking into those issues here. Mr Q will need to make a new complaint to Admiral

about its continued handling of the claim after 11 July 2023 should he wish to do so.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. So I've taken those rules into account, amongst other things, when deciding whether I think Admiral has treated Mr Q fairly.

Admiral accepts that it hasn't handled Mr Q's claim as well as it should have done. It's clear that there have been significant delays in the progression of the claim, which seem largely to be down to Admiral's claim backlogs. It accepts too that it hasn't communicated with Mr Q as well as it should have done and he's had to seek regular claim updates. I'm mindful that Mr Q was without the use of a working kitchen during this period which has clearly added to his upset and inconvenience and impacted on his family's day-to-day life. While I appreciate Mr Q has been paid a disturbance allowance during this period, I don't think this is enough to reflect the overall trouble and upset I think Mr Q and his family have suffered as a result of Admiral's claim delays and communication failings.

Mr Q has provided us with evidence which shows that his wife had an existing medical condition which had deteriorated at the time of a clinic appointment in June 2023. Her treating doctor attributed this partly to Mr Q's wife not having a working kitchen and therefore, having to rely on takeaways and eating out. As such then, it seems the delays have also impacted adversely on Mr Q's wife's health.

Taking those factors into account, I don't think Admiral's original offer of £300 compensation is sufficient to reflect the impact of its claims handling on Mr Q. In my view, he and his family have been put to a significant, unnecessary amount of trouble and upset as a result of the delays in Admiral's handling of this claim. So I agree with our investigator that a total award of £500 compensation for the period between the issue of Admiral's final response in February 2023 and 11 July 2023 is fair, reasonable and proportionate to reflect the material distress and inconvenience I think Admiral's service failings have caused Mr Q.

It's clear how strongly Mr Q feels that this award doesn't go far enough. I appreciate the claim remains outstanding and that Mr Q feels that the involvement of our service hasn't been enough to effect meaningful change in the way his claim has been handled. I know my decision will come as a disappointment to Mr Q. But our awards aren't intended to fine or punish the businesses we cover. Nor can we effectively take over the management of Mr Q's claim, although I would remind Admiral of its regulatory obligations when dealing with claims.

So I'm satisfied that a total of £500 compensation (less the £300 Admiral offered previously if this amount has already been paid) for the period February to July 2023 is fair and reasonable in all the circumstances to reflect what I consider to be the impact of Admiral's claims handling on Mr Q.

My final decision

For the reasons I've given above, my final decision is that I uphold this complaint.

I direct Admiral Insurance (Gibraltar) Limited to pay Mr Q total compensation of £500 (less the £300 it previously offered if this amount has already been paid) to recognise his trouble and upset between February and 11 July 2023.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Q to accept or reject my decision before 7 March 2024.

Lisa Barham

Ombudsman