

The complaint

Mrs H and Mr H told us that after they made a claim on Mrs H's motor insurance policy with Admiral Insurance (Gibraltar) Limited it took far too long for their car to be repaired and that the general service they received was poor.

What happened

Mrs H and Mr H initially complained to us in February 2023 about the early poor handling of their claim, following an accident in December 2022. Our investigator didn't uphold the complaint. She said Mrs H and Mr H should raise any concerns arising after February 2023 with Admiral in the first instance. They contacted us again on 5 September 2023 to complain that (after nine months with Admiral's approved repairer, mostly waiting for parts) their car should have been ready that day. But as the car's paintwork and general condition were poor, they complained to Admiral and the car was taken back for rectification.

Mrs H and Mr H told us they had complained to Admiral in April 2023 but that the complaint wasn't dealt with at the time. Later, in its final response letter of 26 September 2023, Admiral accepted that there had been an oversight on its part in April 2023. It also accepted that the repairs were below standard, hence the rectification. It agreed that the need for further work had delayed the completion of the repairs. But it didn't accept that the very long delay in waiting for parts was its fault, or that of its repairer. Admiral accepted that its overall service was below par, and that the approved repairer had caused some upset by saying the car was ready when it wasn't. It offered Mrs H and Mr H £400 compensation in total.

Mrs H and Mr H had also complained about the size of the replacement car they were given for the duration of the repairs, and the fact that Admiral didn't chase the manufacturer to query why the parts weren't available for so long. They didn't think they should have been charged the policy excess, or for an MOT that was carried out, plus the new windscreen wiper blades needed. They thought it was unreasonable that they were offered a cash payment for the awaited parts. And Mr H wasn't happy that a personal injury claim he made was closed. After an investigation, Admiral didn't uphold any of these issues.

One of our investigators reviewed the complaint Mrs H and Mr H made to us in September 2023. She thought Admiral had acted reasonably in upholding the issues it did and in paying Mrs H and Mr H compensation. She also thought it had acted reasonably in not upholding the other issues. She didn't think Admiral could be held responsible for the failure of the manufacturer to provide the parts needed within a reasonable time, or that it should have chased the manufacturer about the issue. She said the replacement car and the personal injury claim had both been dealt with in line with the policy's terms and conditions. She thought it was reasonable for Admiral to have offered the option of a cash payment for the parts. She said the policy excess was payable on any claim - and that the MOT and wipers were a maintenance issue, so they fell outside Admiral's remit.

Mr H said he and Mrs H couldn't accept the investigator's view, given that they'd had to wait so long for the repairs to be done, which had caused them extreme stress and had affected their health. He also said Admiral had now accepted it didn't follow its own processes, so

something should be done about that. He said his emails hadn't been answered and he'd had to chase Admiral, the repairer, and a car hire firm – which shouldn't be allowed to happen again. He said the compensation offered was nowhere near the sum he'd spent as a result of the parts not being available. And he thought the car should have been written off.

The investigator said she had to separate the issues that Admiral was responsible for from those it wasn't – and the compensation it had offered was based on only a few of the issues Mrs H and Mr H had complained about. She pointed out that, in addition to the compensation, Admiral had kept Mrs H and Mr H in hire - when it could have insisted that they take a cash sum for the parts, which would have been a worse outcome for them. She noted that Mrs H and Mr H wanted us to instruct Admiral about what processes it should put in place - but she said we aren't able to do tell an insurer how to run its business.

As there was no agreement, the complaint was passed to me for review.

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.

The delay in repairs, the replacement car, and the cash offer for parts

I can only imagine how frustrating it must have been for Mrs H and Mr H to have had to wait so long to get their car back, given the shortage of replacement parts for it. But post-pandemic, there's a worldwide shortage of parts that has caused huge delays. Garages often can't carry out repairs as promptly as they used to, as a result of that. I think some firms will be recovering their production rates faster than others, so Mrs H and Mr H may have been particularly unlucky. But it isn't unusual currently for garages to have to wait months for orders. I don't think the very long delay that caused Mrs H and Mr H so much upset was Admiral's fault, or that of its repairer.

Mr H thinks Admiral should have contacted the manufacturer. That isn't the role of an insurer – and in my opinion it would have made no difference had it done so anyway. Admiral wasn't in a position to influence the manufacturer's decisions, or its output. I think it's reasonable to assume that the manufacturer would have wanted to sell the parts quickly, had it been in a position to do so, purely in its own interests. Mr H thinks it makes no sense that parts for his car weren't available, yet new cars were being produced. But I think it's likely that priority is given to the new car production line, if only a limited number of parts is available. And whatever the reason for the manufacturer's parts shortage, it wasn't Admiral's fault.

Admiral recognised that its repairer caused some delay when the repairs had to be rectified, so part of the compensation it offered reflected that short delay. I think that was reasonable - and hire was extended, so Mrs H and Mr H weren't without transport for that period.

Under the policy, they were only entitled to a small courtesy car. As the garage didn't have one available, Admiral paid for hire for the duration of the repairs, at considerable expense, to satisfy the policy's terms. Mrs H and Mr H thought the car was too small, but I think Admiral satisfied its contractual obligation to them. Mr H told us he had to transport materials that he was worried might damage the hire car – which he'd then have to pay to have repaired – so he bought another car for that purpose. But I think that decision was his to make. I don't think it was the result of any unreasonable behaviour by Admiral.

As the claim dragged on, Admiral was aware of the upset Mrs H and Mr H were facing. Most consumers want their car back as soon as possible, and the longer it's away, the more

stress and inconvenience build up. As Admiral didn't know how long the situation would continue, after around six months it offered them the option of cash in lieu of the awaited parts. Mr H wasn't happy with that, but I think the proposal was reasonable. In my opinion, it was an option that some consumers might have accepted, in the hope of sourcing second-hand parts. But it was only an option, and it wasn't forced on Mrs H and Mr H. Admiral continued to keep them in hire instead, so I think it acted reasonably.

Mr H says the car should have been written-off, given the sum Admiral spent on hire. I can see why he thinks that would have been a sensible option, and the claim notes show that Admiral considered it. But it was a difficult decision, as the car was repairable, so it had already spent a lot of money on the claim, in the hope the parts would arrive. And around that point, it seemed the situation was about to be resolved. In any event, the policy gives Admiral the right to deal with any claim as it sees fit, as long as it acts reasonably. I don't think Admiral acted unreasonably in not writing the car off in the circumstances here.

Charges paid by Mrs H and Mr H

Mrs H and Mr H had to pay the policy excess, which the policy says is payable in the event of any claim. Mr H says it shouldn't have been charged (or should be refunded) because the repairs weren't done correctly or in a reasonable time. But delay and poor repairs are addressed by way of compensation – *if* a consumer can show that the delay was caused by an insurer or a repairer, and /or that the repairer was at fault. In this case, compensation was offered for the short part of the delay caused by Admiral's repairer, and the repairer rectified its work. So I don't think Admiral acted unreasonably in terms of the policy excess.

An MOT had to be carried out on the car whilst it was in the repairer's care and control. As a result, new wiper blades were needed. Admiral isn't responsible for maintenance issues, so I think it was reasonable for Mrs H and Mr H to be charged for these items.

Poor service issues and compensation

Admiral has accepted not only that it made an error in not dealing with the complaint made by Mrs H and Mr H in April 2023 - and that the rectification prolonged the claim - but that its overall service should have been better. It accepts that it didn't return all the calls and emails from Mr H, and that he had to chase it and the repairer – which at one point gave him incorrect advice. None of that should have happened, and it caused further frustration and upset, when Mrs H and Mr H were already very upset about the delay with the repairs.

In my opinion, the compensation offered by Admiral for these issues was reasonable. I think it's in line with the amount of compensation we would have required it to pay had it not already offered to do so. Mr H says it isn't enough, given the time that elapsed, and that it falls far short of the losses he faced whilst his car was off the road.

As I've said above, I don't think Admiral was to blame for the long delay. And as it provided hire throughout, it isn't clear what extra costs Mrs H and Mr H incurred as a result of its poor service (apart from on calls, which I think are covered by the compensation offered). The car Mrs H and Mr H bought is an expense that isn't relevant to the compensation.

In summary

I think it's clear that Mrs H and Mr H were badly affected by their experience, and I'm very sorry that the impact on them was such that their health suffered. But I have to consider what part of the distress and inconvenience they faced was the result of unreasonable behaviour on Admiral's part or that of its repairer.

I think most of the delay with repairs was caused by factors outside Admiral's control, and I can't require it to compensate Mrs H and Mr H for that. In my opinion, Admiral acted reasonably in dealing with the claim, except in relation to the issues for which it has offered compensation. It will review Mr H's personal injury claim after he has started treatment, in line with the policy. So despite my sympathy for Mrs H and Mr H, given the considerable distress and inconvenience they've suffered, I can't uphold their complaint.

Mrs H and Mr H don't think some of Admiral's processes are fit for purpose, and Mr H told us he wants us to tell it how to resolve that. But we aren't the industry regulator, and we can't instruct insurers how to run their businesses. It's open to Mrs H and Mr H to raise general issues about Admiral's business model with the regulator, the *Financial Conduct Authority*.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 5 April 2024.

Susan Ewins
Ombudsman