

## **The complaint**

Mr M complains about how Admiral Insurance (Gibraltar) Limited (“Admiral”) dealt with a claim he made on his car insurance policy.

## **What happened**

Mr M has a motor insurance policy with Admiral.

In July 2023 he reported an incident using the Admiral online system. Mr M says he was unable to backdate the incident date to January 2023 when it actually occurred. Later that afternoon Mr M received an email saying the insurance was being withdrawn and the car was being written off.

Mr M called Admiral and asked why the car was deemed a total loss and discussed the report from the garage which detailed the estimated cost of repair. At the end of the call Mr M says it was agreed the car would be written off and an offer would be sent to him.

When Mr M received the offer he said he agreed with the valuation but not to the deductions that were made; one for excess and the other for the vehicle having no valid MOT. Mr M told Admiral he wasn’t happy with the deductions. Admiral said it was reconsidering the claim and wanted quotes for the repair work.

Mr M was unable to get an accurate estimate from the garage as the work needed was specialist and required the manufacturer’s garage which was too far for him to drive to, and in any event his vehicle wasn’t driveable. Mr M had spoken to some local garages who estimated the cost of repair to be around £4,000 although they were unable to do the repairs.

Mr M says it has taken time and caused him stress trying to deal with Admiral. He’s sent numerous emails to the company which were ignored or not dealt with appropriately. Mr M wasn’t satisfied with the service he received and so he complained.

Admiral said the claim was reported in July 2023 and Mr M was told there would be a 10% deduction from the settlement as the MOT had expired on the vehicle. Admiral said the garage who inspected Mr M’s vehicle advised the cost of repair was around £4,000 which would indicate the vehicle to be repairable. Admiral apologised for the incorrect information being provided initially and paid Mr M £200 by way of an apology.

Mr M remained unhappy. He wants a written apology and an increase in the compensation offered. So he asked our service to consider his concerns. One of our investigators looked into things for him. She said she didn’t think Admiral needed to take any further action. The investigator said Mr M had received settlement for his vehicle plus 8% interest on that amount. The compensation was increased to £900 to reflect the distress and inconvenience the errors caused, which is in line with the service’s approach to compensation. The investigator also said Mr M’s car isn’t covered for flooding and so Mr M has benefitted from Admiral’s error. So, Mr M’s complaint wasn’t upheld.

Mr M disagreed with our investigator's outcome. He said his vehicle was insured against flooding. He also said Admiral took positive action to avoid settlement and delay the claim.

Since Mr M didn't agree the complaint has 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 I must tell Mr M that I think the investigator has reached a fair outcome here. So, I'm not upholding his complaint in this matter. I'll explain why.

Since Mr M brought his complaint to this service his claim has progressed. He has received a settlement for his vehicle plus interest. And Admiral has increased the level of compensation from £200 to £900. Mr M has also advised Admiral has increased this by a further £150.

I can see this incident and its consequences have had a significant impact on Mr M. I've no doubt he has done all he can to provide Admiral with the information it requested and acted in good faith when reporting the incident to his insurer. I can understand why he believed his claim would be settled promptly. Especially given the initial stages of the claim were dealt with quickly.

Mr M received the valuation settlement and says he made arrangements to purchase another vehicle on the back of what Admiral had told him. Admiral asked for evidence of this but I can't see it was provided. And in any event Admiral is clear that, "*the settlement amount shown is subject to our completion of all necessary checks and we reserve the right to amend this amount should further information come to light.*"

Admiral had received information to suggest the cost of repair would be around £4,000 which would make the vehicle repairable. And so Admiral looked into this further. As set out in the policy terms, when a claim is made its necessary for Admiral to carry out validation steps to ensure cover is in place and determine the costs. The terms of the policy allow Admiral to decide how to settle the claim. So I can't say Admiral did anything wrong here.

Admiral accept the claim wasn't initially dealt with as it should have been. It hadn't investigated the circumstances of the claim or obtained an accurate cost of repair before it made the decision to declare the vehicle a total loss. Admiral apologised for the error and paid Mr M compensation to reflect the distress and inconvenience caused. And I think this is fair.

I acknowledge Mr M's concerns that the compensation doesn't cover the level of distress and inconvenience however I can only consider the issues raised in Mr M's initial complaint to Admiral, and I can only look at what *actually* happened and not what may have happened. Mr M has said he was facing the prospect of losing £20,000 and no way to replace his vehicle. But I'm pleased to see that didn't happen and the matter was settled.

Mr M has said he wants his complaint to be a learning exercise for Admiral – but our role isn't to punish the business. We can award fair compensation that's an appropriate reflection of the impact a business's actions have had on its customer.

So, having considered the evidence provided I'm persuaded that, on the whole, Admiral acted fairly and reasonably, in its handling of the claim. Where it didn't it apologised and paid

Mr M £900 in compensation and has offered a further £150. I think this is fair and reasonable in the circumstances, and in line with what I would have suggested had an offer not already been made. Further information about how we consider awards for distress and inconvenience can be found on our website.

I recognise Mr M feels strongly about this and he will be disappointed with my decision. But based on everything I've seen I think Admiral has done enough to put things right here.

### **My final decision**

For the reasons explained above I'm not upholding Mr M's complaint about Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 April 2024.

Kiran Clair  
**Ombudsman**