

The complaint

Mrs B complains about Admiral Insurance (Gibraltar) Limited's handling of a claim she made under her home insurance policy.

Admiral is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As Admiral has accepted it is accountable for the actions of the agents, in my decision, any reference to Admiral includes the actions of the agents.

What happened

In late 2022, Mrs B made a claim under her home insurance policy with Admiral after discovering an escape of water had caused significant damage to her kitchen. Admiral advised her to arrange for her own plumber to perform a trace and access of the leak.

After Mrs B arranged for the leaking pipe to be fixed, Admiral appointed agents to deal with the claim. A surveyor was sent to the property to assess the damage and prepare a schedule of works. Another company was appointed for the drying works.

Mrs B made several complaints about the handling of her claim. She was unhappy about delays in its progression and communication from Admiral and its agents.

Admiral accepted it was responsible for delays in dealing with Mrs B's claim and some poor communication. It paid Mrs B a total of £350 compensation for distress and inconvenience. Mrs B remained unhappy and asked our service to consider the matter.

Our investigator thought Mrs B's complaint should be upheld. He didn't think the compensation Admiral had paid Mrs B was enough to recognise the stress she'd experienced. He recommended that the compensation be increased to £500.

Admiral accepted our investigator's findings and agreed to his recommendation. However, Mrs B disagreed with his outcome. She said Admiral had conceded and upheld all of her complaint points, including that its communication was poor. She wasn't sure why our investigator had reverted to an earlier position and hadn't agreed that the communication fell short.

Mrs B acknowledged that Admiral had sought information in support of the costs supplied by the contractors, but she said this took no more than a week. She said this was towards the end of the relevant period and after the work had been completed. It did not significantly eat into the unnecessary delays which amounted to over 30 weeks. This was something that had also been conceded and upheld by Admiral.

Mrs B said she couldn't understand why our investigator thought £500 was a reflection of the impact. She didn't think this amount was fair or reasonable.

As Mrs B disagrees with our investigator's outcome, her 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've reached broadly the same conclusions as our investigator. I'll explain why.

The relevant industry rules say an insurer should handle claims promptly and fairly. It should also provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress.

Admiral has accepted responsibility for delays in dealing with Mrs B's claim and poor communication with her. It's paid her £350 compensation and has agreed to pay her the further £150 our investigator recommended. So, I've needed to think about whether or not £500 reasonably recognises the impact of Admiral's poor service on Mrs B.

I can see Mrs B made her claim in November 2022 and it was settled in August 2023. Mrs B arranged for her own contractors to carry out the reinstatement work. She says this started towards the end of July 2023 and was completed in around ten days. This meant that Mrs B's kitchen and office area was in a state of disrepair for around nine months.

Taking into account the time Admiral needed to deal with various aspects of the claim, such as completing the drying of the property and validating Mrs B's contractor's quotes, I think it's responsible for avoidable delays of several months.

I understand Mrs B's husband has a serious health condition which would likely be exacerbated by black mould. This meant he had to stay away from the kitchen / office area while the mould was still present. Mrs B has also mentioned being left without cooking facilities because a kitchen pod wasn't set up until around a week after her kitchen was stripped.

Mrs B says the communication from Admiral and its agents was poor. I can see Mrs B had to chase Admiral a number of times for updates and to get her claim progressed. This was no doubt frustrating for her.

When thinking about a fair award for compensation, I need to separate the impact of the escape of water event itself from the additional distress and inconvenience Mrs B experienced as a result of Admiral's poor service.

Even if the claim had been handled efficiently throughout, Mrs B would still have experienced inconvenience as part of the claims process. I can only award compensation for distress and inconvenience Admiral has caused which is over and above what we would usually expect from this type of claim.

I appreciate Mrs B feels the compensation should be higher than the £500 Admiral has agreed to. But this is in the range of what our service would expect a business to pay where its mistakes have caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. So, while I understand that my answer will be disappointing for Mrs B, I'm not persuaded to increase this.

Putting things right

Admiral should pay Mrs B £150 for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Mrs B's complaint and direct Admiral Insurance (Gibraltar) Limited to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 16 May 2024.

Anne Muscroft
Ombudsman