

The complaint

Mrs L has complained that Admiral Insurance (Gibraltar) Limited didn't agree to pay for her car's turbo issues, which occurred immediately after her car was repaired under her motor policy, following an accident.

What happened

Mrs L was involved in an accident in June 2022. She made a claim to Admiral who agreed to repair her car via its approved repairer. Following the repair of the car by 4 October 2022, the engine light in her car came on. Mrs L brought her car back to the approved repairer who tried to repair it. Once Mrs L collected her car again, the engine now made a whining sound. So, Mrs L complained to Admiral.

Admiral then instructed an independent assessor who inspected her car in December 2022. He thought the car should be inspected by a main dealer. Sadly, this couldn't happen until March 2023. The main dealer said there was a problem with the turbo, and it needed to be replaced. Although Admiral initially seemed happy to fund the cost of replacing the turbo, it delayed in giving the main dealer authority to do so. Then on 19 May 2023 Admiral told Mrs L it had decided the issues with her turbo was not related to the accident but that it was wear and tear instead and so not covered by her policy.

Mrs L raised a complaint. She felt as the turbo issue arose immediately on being given her car back by the approved repairer following the repair of her car from the accident, it couldn't be a wear and tear issue. Also, she had been without her car for a considerable and extensive amount of time, whilst also dealing with both her parents becoming ill. Therefore, she said the entire experience had been overly stressful in the extreme for her. It also meant that Mrs L paid for the replacement of her turbo in her car, herself.

As Admiral wouldn't change its stance, Mrs L brought her complaint to us. The investigator was of the view it should be upheld. She thought Admiral should reimburse Mrs L for the costs of the replacement of the turbo and she felt Admiral should pay Mrs L £500 compensation. As Admiral disagreed, Mrs L's 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'm also upholding this complaint along the same lines as the investigator. I'll now explain why.

There's no evidence that this turbo issue was evident prior to the accident as it certainly wasn't noted as any pre-accident issue at all by the initial examination of Mrs L's car following the accident. Admiral's instructed independent assessor was initially of the view the turbo defect was actually the responsibility of the repairer. More crucially in this initial report

there was no mention of the turbo possibly being from wear and tear either. Granted there was little explanation as to why it happened, but I would have expected some reference to it being caused by wear and tear given his instructions from Admiral, if indeed that was evident. He merely recommended it would be better that the main dealer investigated it.

At this stage in March 2023, Admiral was of the view that given its instructed independent assessor couldn't say if the turbo issue was wear and tear or accident related, it would be unfair for Admiral not to repair it. When the main dealer assessed the turbo, it didn't mention it might be from wear and tear either. Simply that it needed replacing. Later, on questioning by Admiral's engineer, the main dealer said it can't be determined if the turbo was caused from wear or tear or was incident related instead.

On that basis Admiral called Mrs L on 27 March 2023 and said the following:

'ob to ph advised ia can't say if wear or tear or accident related, and it would be unfair for us to not cover advised i have sw ar and send them ia report and md diagnostics ar advised that this will probably needed to be subcontracted to md for new turbo advised by going through our ar there will be the warranty ph understood and happy

advised she should be hearing off ar soon and advised i will send cb form and if she hasn't heard anything to fill it out so we can chase for her.'

On 3 April 2023, in conversation with the independent assessor Admiral said the following:

'called IA and they advised can look to auth repairs and to email details of where we want the repairs authorised at and they can look into this and sw the NAR'

On 4 April 2023, internal emails within Admiral says the following:

*'Hi [C],
IA was sent out to auth this one. Can he not agree costs for this work? If not request estimate and place in q ca eng.??
Thanks [S]'*

And also on 4 April 2023:

'Good morning, I can see you authorised some work for [sw] on this estimate, PH wants to go to MD for the turbo charge and I am asking IAs that looked at the turbo to see if they can auth this and request estimate so can you make sure that the [Authorised Repairer] don't go ahead with this please as costing on audatex now.'

Later, on 4 April 2023, Admiral called Mrs L and the phone note says:

'called PH advised IAs are going to look to agree costs and advised emailed them details of main dealer and they will liason together, PH thanked me.'

On 5 May 2023, Admiral talked to Mrs L and said:

'Called PH to advs issues between IA and NAR currently - advs NAR have sent over costings but not investigation findings - advs that I have forwarded what we have from NAR regarding turbo issues to IA so hopefully they can go ahead and auth costs now - advs if issues still being faced by end of week, we may be able to go down route of getting est from NAR into our IHE instead - PH understood and agreed - advs may need to get that signed off by manager however as usually we do expect IAs to auth if possible - PH understood.'

On 12 May 2023 the main dealer as mentioned above, called Admiral, and said the following:

*'NAR called in adv received an email yday about needing est but unsure what needs to be on it
After reviewing file I adv it looks like we need a supp est for the repairs to the turbo so we can forward to the IA
NAR adv will get sorted asap, asked for timescales
I adv unsure as will need to go to IA to be auth'd but hopefully should be quick turnaround
NAR thanked for help and adv will get sent over.'*

Admiral's file then shows the estimate for the turbo repair was received on 15 May 2023 and following receipt of that, it was decided the issue was caused by wear and tear.

On 18 May 2023, the independent assessor wrote to Admiral saying the turbo issues are not related to the accident but doesn't explain why that might be.

On 22 May 2023 Admiral's file again stresses the person who prepared the estimate for the repair of the turbo advised that:

'He advised that it couldn't be proved either way whether the play in the central impellor shaft was caused by the accident or not.'

On 22 May 2023, Admiral phoned the independent assessor, and the phone note says the following:

*'On 22/05 I rang IA to get more detailed response/report than the email that they had sent to us (Noted 21/05/23) as there had been a fair amount of uncertainty around whether the problem was axx related, repair related or not related at all.
IA advised me to SW the NAR as they're the experts with these vehicles. The engineer who inspected the vehicle at main dealer, [DC] advised it couldn't be proved either way whether the play in the central impellor is related to the axx or reps or not related at all.*

I've advised this to the IA and they have now sent the full report and their opinion is that is not related to the accident. Bearing in mind the initial IA report (noted 13/01/23) that suggested the cause of the defect is responsibility of the repairer, then in an email (noted 27/03/23) that they cannot determine whether axx related or W&T. The PH maintains that there was no noise before the accident. Can you advise your opinion on this before I advise the outcome to the PH please?'

Admiral then had a phone conversation with the main dealer sometime around this time (as the call recording is undated) which said the main dealer thought there was no way to show whether the turbo issue was caused in the accident or indeed by the approved repairer or more importantly whether it was caused by wear and tear. The main dealer did emphasise the type of damage the car sustained meant it could be either way, thereby implying it was possible the shunt caused it.

So effectively we have a situation where it's impossible to know how the turbo issues were caused. Bearing in mind the evidence clearly indicates the turbo issue arose after Mrs L received her car back from the approved repairer and it progressed to a whine noise after the approved repairer also tried to repair it, it's not outside the bounds of possibility either that it was caused by the approved repairer. So, in my view there were several possible

intervening factors, plus the bottom line is that there is no actual reasoning pointing to the turbo issue being more caused by wear and tear than not. There appears to be more discussion of the problem given the shunt from the accident frankly.

So given Admiral's initial thoughts were that it would be unfair to Mrs L to refuse to pay the cost of replacing the turbo and the consequent lack of actual evidential reasoning as to why it was more likely to have been caused by wear and tear, I don't consider just deciding it was caused by wear and tear to be good enough on the balance of probabilities. All the experts involved to include the independent assessor, the main dealer and indeed many operatives within Admiral itself showed themselves to be too unsure of the actual cause. So simply deciding to make the matter to Admiral's advantage given this uncertainty of the evidence isn't being fair to Mrs L nor is it adhering to the policy terms and conditions either. Mrs L isn't an expert in cars or turbos so when there is this level of uncertainly evidentially, the matter ought to have been construed in Mrs L's favour (as Admiral initially thought too) not Admiral's.

Therefore, I think on the balance it's unfair here to have made the decision it must be from wear and tear. I don't consider that was protecting Mrs L's interests fairly or reasonably. Consequently, I consider Admiral should refund Mrs L the costs of the replacement of the turbo with interest.

Mrs L's accident occurred in June 2022. The final decision on her turbo issue wasn't concluded until May 2023, nearly a year later. I can see there was some delays with getting the car seen by the main dealer due to the main dealer only, but I still consider this matter was excessively drawn out for Mrs L, more as her car wasn't returned to her by the approved repairer until October 2022. I consider the stress and strain in dealing with this matter for the better part of a year to be unreasonable. Throughout this time Mrs L also explained to Admiral that each of her parents had developed separate serious illnesses.

Consequently, I consider the compensation suggested by the investigator of £500 to be appropriate and in line with our stance on such matters, as more detailed in our website too.

My final decision

So, for these reasons it's my final decision that I uphold this complaint.

I now require Admiral Insurance (Gibraltar) Limited to do the following:

- Refund Mrs L the costs she paid of having her turbo replaced. Adding interest of 8% simple per year from the date Mrs L paid for these repairs to the date it refunds her.
- If income tax is to be deducted from the interest, appropriate documentation should be provided to Mrs L for HMRC purposes.
- Pay Mrs L £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 6 June 2024.

Rona Doyle
Ombudsman