

The complaint

Mr M and Mrs S have complained that Admiral Insurance (Gibraltar) Limited were responsible for poor customer service and delays when they made a claim on their travel insurance policy.

As it is Mrs S leading on the complaint, I will mostly just be referring to her in this decision.

What happened

Mr M and Mrs S were on holiday abroad in October 2023. They lost some personal items because they believe that Mr M accidentally left a bag on the beach, although they didn't become certain of the loss until sometime later. Upon returning home, Mrs S made a claim on the policy which was later declined as there was no supporting loss report or police report.

In response to the complaint, Admiral maintained its decision to decline the claim. However, it accepted that it had been in a position to decline the claim much sooner than it did. So, it apologised for the way it had handled the claim and offered £100 compensation for inconvenience.

Our investigator thought that it was reasonable for Admiral to decline the claim, in line with the terms and conditions of the policy. She also thought that its offer of £100 was a reasonable way to settle the complaint.

Mrs S disagrees with the investigator's opinion and so the complaint has been passed to me for a decision.

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.

I've carefully considered the obligations placed on Admiral by the Financial Conduct Authority (FCA). Its 'Insurance: Conduct of Business Sourcebook' (ICOBS) includes the requirement for Admiral to handle claims promptly and fairly, and to not unreasonably decline a claim.

Although unhappy with the outcome of the claim, Mrs S is not disputing that Admiral was entitled to decline it and this does not form part of the complaint. Her main dissatisfaction lies with being asked to supply the same information on repeated occasions and the time it took Admiral to reach a decision.

The claim was logged online on 11 October 2023. In completing the claim form, they stated 'No' to the question about whether they had reported the loss. Therefore, strictly speaking, Admiral had enough information at that point to decline the claim. However, it then asked for a loss report a second time. Mrs S's response to that was to say that she had already confirmed that they had not reported the loss. On 22 November 2023, Admiral asked again

for more information to validate the loss. This time it explained that a loss report could also take other forms, such as texts to friends or family about the incident, as an alternative to a report from the travel provider or police. Mrs S responded again to say that this was the third time she was being asked for the information.

On each occasion she was also asked for further details about the glasses that had been lost, even though she had previously confirmed that she was unable to supply the requested information.

To some extent I can understand why Admiral went back to Mrs S to explain that it might accept some alternative evidence of the loss, because it was trying to give her every opportunity to supply something that might allow the claim to be accepted. But there was no reason why it should have waited until 22 November 2023 to do that. It could have explained this shortly after the claim had been made. The claim was finally declined on 1 December 2023.

Mrs S has talked about a 10-day turnaround time for claims. But Admiral makes no promise about assessing claims within that time frame. The 10 working days refers to the response time Admiral aims to meet upon receiving correspondence from policyholders. However, it should be said that Admiral also failed to meet that response time on more than one occasion, meaning that Mrs S had to chase for updates.

Overall, based on the available evidence, I find that Admiral did unnecessarily ask Mrs S for information that she had already provided (or confirmed that she couldn't provide). I also conclude that it could have finalised the claim much earlier.

As mentioned above, Admiral has accepted that it was responsible for poor customer service and delay. The matter at hand is whether the £100 offered by Admiral is sufficient compensation for the errors that occurred and the impact this had on Mrs S.

She has explained that the issue caused her sleepless nights and stress, which was made worse as it was in the lead up to Christmas.

I've thought very carefully about what Mrs S has said and I appreciate why she feels that more compensation is due. However, as an alternative dispute resolution service, our awards are more modest than Mrs S might expect, and likely less than a court might award.

Taking everything into account, I consider that £100 is reasonable and proportionate compensation for the poor customer service and delays. Therefore, I won't be asking Admiral to do anything more.

My final decision

For the reasons set out above, I do not uphold the complaint.

I understand that the £100 has already been sent by cheque. However, if that is not the case, Admiral Insurance (Gibraltar) Limited should pay the compensation now.

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

Carole Clark
Ombudsman