

The complaint

Miss G has complained about how Admiral Insurance (Gibraltar) Limited ('Admiral') has dealt with a claim under a home insurance policy.

What happened

Miss G contacted Admiral to say she had found water damage to her home. Admiral said Miss G should provide a cause of damage report. Miss G arranged for a plumber to find the source of the leak and to provide a report. Miss G later told Admiral the leak was coming from her neighbour's property. Admiral said it would start to deal with the claim, but the leak would need to be fixed.

Miss G asked if she and her lodger could move to alternative accommodation as part of the claim. Admiral said this wasn't possible as the property was habitable. However, it took steps to remove trip hazards.

Miss G complained. She said she didn't think her home was fit to live in. The loss adjuster had also been insensitive and disagreeable when he said it wasn't possible to move to alternative accommodation. She was also concerned for the welfare of her lodger. Miss G wanted an assurance that alternative accommodation would be provided when the work started.

When Admiral replied, it said it was satisfied that everything possible was being done to mitigate the moisture levels at the property. It said that although Miss G didn't agree with the loss adjuster's decision about alternative accommodation, it was in line with the position on when accommodation would be provided. It confirmed that every assistance possible would be provided to Miss G and her lodger. Alternative accommodation would be offered when the works started. It offered £250 compensation.

The claim continued. Miss G told Admiral that the neighbour's water supply had been turned off, but the leak hadn't been fixed. Admiral said it couldn't carry out work until the leak had been fixed. It said it could pay a cash settlement. Miss G complained again, as she was unhappy about the cash settlement and other costs.

When Admiral replied, it acknowledged the "*unique*" circumstances with the claim. It said its claim handler was doing everything he could to achieve a successful outcome. It apologised that it hadn't raised the payment for the electricity costs. It said it would do so and pay 8% interest on it. It described the steps Admiral had taken to try and resolve the claim, including offering to fix the neighbour's pipe. However, as the water supply had only been turned off, this meant the same leak could happen again. It offered a cash settlement to allow Miss G to complete the reinstatement work. But Admiral wouldn't expect to incur further costs for the damage. Admiral would also probably need to arrange a site visit to ensure nothing was missed in the scope of works and it could work out the cash settlement. It offered £200 compensation.

Miss G remained unhappy, so she complained to this service. Our Investigator didn't uphold the complaint. She said it was reasonable that Admiral didn't agree to move Miss G and her

tenant to alternative accommodation when she requested it, as the property was habitable. Admiral later acknowledged it should have explained this was possible when the property was being reinstated. It also accepted that it hadn't reimbursed the electricity costs. It said it would do so and pay interest on it. The terms and conditions allowed Admiral to offer a cash settlement. But, Admiral accepted it shouldn't have made this offer without having costed it. Admiral hadn't completed a scope of works, so couldn't cost it. She said the compensation Admiral offered for the two complaints was fair in the circumstances.

As Miss G didn't agree, the complaint was referred to me.

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 don't uphold this complaint. I will explain why.

I'm aware this has been a difficult claim with unusual circumstances. I'm also aware Miss G has raised further issues related to the claim. However, I'm only able to consider the issues raised in the two complaints she brought to this service. I'm unable to look at any issues that aren't covered by those complaints. Miss G would need to raise any new issues with Admiral.

Miss G wanted both her and her lodger to move to alternative accommodation while the claim remained ongoing, including while drying equipment was in the property. An insurer would only normally allow a move to alternative accommodation when a property was uninhabitable. This would generally be when there were no cooking or bathroom facilities. From what I've seen the property was habitable, although I can understand it might have been difficult to live in.

Miss G was also upset by the way the loss adjuster responded to her request. I don't know exactly what was said. But I accept this was already a difficult time for Miss G and that she might have been upset if she felt dismissed or that her request hadn't been properly considered. Admiral also later acknowledged it hadn't been clear that, when the works started, it would arrange alternative accommodation and that the property would be big enough for both Miss G and her lodger. Miss G was also concerned that there were trip hazards in the property because of the condition of the floor. From what I can see, Admiral dealt with the issues with the flooring to make it safe.

So, I'm satisfied it was reasonable for Admiral to say Miss G couldn't move to alternative accommodation at that time. It then later clarified when it would be possible for Miss G and her lodger to move to alternative accommodation and that this hadn't been properly explained. Overall, I think Admiral fairly responded to this part of the complaint.

I can see Admiral has taken a range of steps to try and progress the claim. This included offering to fix the leak at the neighbour's property, which it had no obligation to do under the policy. However, the neighbour seemed unwilling to engage. This meant that although the neighbour's water supply had been turned off, a repair hadn't been carried out to stop the leak happening again.

Admiral installed a dehumidifier and fans in the property to try and reduce the moisture levels. Miss G provided details to be reimbursed for the electricity costs. When Admiral responded to the complaint, it accepted it hadn't processed these costs. It said it would do so and add 8% interest to the payment. This is what I would have said it should do if it hadn't already agreed to do so. I think Admiral dealt with this complaint point fairly.

Miss G was also concerned about Admiral's offer of a cash settlement. Looking at the policy wording, this allowed Admiral to decide how to settle a claim, including offering a cash settlement. So, I think it acted in line with the policy terms and conditions. However, Admiral accepted it had offered a cash settlement without having costed it. It was unable to provide a costed cash settlement because it hadn't completed a scope of works. I'm aware Miss G thought Admiral had already prepared a scope of works, but I haven't seen anything to show this. Admiral said it would need to prepare a scope of works to provide the cash settlement offer. Admiral also acknowledged Miss G had a right to expect a costed cash settlement. In the circumstances, I think Admiral's response to the complaint was reasonable.

I've also thought about the compensation offered, which was £450 across the two complaints. I'm aware this has been a difficult and stressful claim for Miss G, although a lot of this seems to be because of the circumstances of the claim and the ongoing issues with the neighbour. I'm also mindful that Admiral looked at a range of ways to progress the claim, despite the lack of cooperation from the neighbour. But, Admiral accepted there were issues with how it dealt with the claim. Having thought about this carefully, I think the compensation Admiral offered was reasonable to address the issues for which it was responsible. I don't require it to pay any further compensation for the issues covered by this complaint.

Having thought about the full circumstances of this complaint, I don't uphold it or require Admiral to do anything further in relation to it.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 17 June 2024.

Louise O'Sullivan
Ombudsman