

The complaint

Mr P complains about delays and poor claim handling by Admiral Insurance (Gibraltar) Limited (Admiral) following damage caused by an escape of water, under his home buildings insurance policy.

What happened

In December 2022 a pipe burst in Mr P's home causing widespread damage. He made a claim to Admiral, which it accepted. Mr P says there were delays in drying and then repairing his property. He says he and his wife weren't put in alternative accommodation for four months. And that communication was poor as well as the standard of work, which required remedial repairs.

Mr P says he had to move to different accommodation on three occasions during the repairs, which weren't completed until November 2023. This had a significant impact on his and his wife's health, as well as causing stress and inconvenience.

Mr P made two complaints to Admiral. It responded to the first on 21 March 2023 and paid £325 for the delays he'd experienced. It responded to his second complaint in December and paid £700 compensation. It acknowledged further delays, poor communication, and poor workmanship with the repairs it had arranged.

Mr P didn't think he'd been treated fairly and referred the matter to our service. Our investigator didn't uphold his complaint. She acknowledged there were delays arranging alternative accommodation, and in completing the repairs. She says it was fair that Admiral paid compensation for these issues. But overall, she thought it had done enough by paying the compensation it had.

Mr P didn't agree and asked for an ombudsman to consider his complaint. It has been passed to me to consider.

I issued a provisional decision in June 2024 explaining that I was intending to uphold Mr P's complaint. Here's what I said:

provisional

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 my intention is to uphold Mr P's complaint. Let me explain. There's no avoiding some level of inconvenience and distress in these circumstances. But we expect Admiral to handle claims effectively to avoid unnecessary delays and issues occurring. I've focused on whether it achieved this here.

My decision will consider the events after 21 March 2023. This was the date of Admiral's final response to Mr P's first complaint. He didn't refer that complaint to our service, so it won't form part of my considerations here.

Admiral didn't arrange alternative accommodation for Mr P and his wife until mid-April 2023. It confirms this was an error on its part. I've read Mr P's terms and conditions, which say:

"If your home is not fit to be lived in due to loss or damage resulting from a buildings insured risk, we will pay the following: ...The reasonable cost of temporary accommodation for you, your family and your pets, while your home is being repaired."

There's no dispute that Mr P's policy covers the damage resulting from the escape of water. From Admiral's comments it also doesn't dispute the property wasn't fit to be lived in as a result of the water damage. I think its clear alternative accommodation should've been arranged sooner than it was. This left Mr P and his wife living in a property that was considerably damaged as well as damp. I acknowledge his comments that this had a negative impact on both his and his wife's health. It was also a major cause of distress for them both.

Based on the records provided by Admiral and Mr P, the work to strip out the ceiling and other areas took place at the time alternative accommodation was provided in mid-April 2023. The drying process then began. The property was certified dry at the end of May.

In its complaint response Admiral says a reinspection occurred in June 2023. This found areas of the property were still damp. It says it caused a significant delay and increased the scope of the required repairs. I've not seen a re-inspection report and I can't see that the claim records mention further drying work. If this was the case, it's not clear why a certificate was issued in May confirming the property was dry. But from what Admiral says there were further issues, and this caused a delay in the repairs completing.

The claim records aren't clear on this point, but Mr P says work to repair his property began in the second week of September 2023. I've no reason to doubt the timeline he provided. This is around three and a half months after the property was originally certified as dry. Admiral refers to additional drying works. But I'm not satisfied from what it says that it handled Mr P's claim effectively. From what I've read it's not clearly been shown that there was a reasonable explanation for why it took so long for the repairs to commence. This meant Mr P and his wife were out of their home for far longer than should've been the case. Adding to the distress and inconvenience they experienced.

Mr P confirms he and his wife moved back into their home in mid-November 2023. I can see from the notes he kept that he made regular contact with Admiral and its agents trying to progress the repairs. Mr P says it was left to him to arrange for missing parts from the replacement kitchen to be provided. As well as finding suitable alternative accommodation when Admiral's agent couldn't. There were numerous occasions when Mr P contacted Admiral as contractors hadn't turned up. There was also a period of one week when Mr P and his wife had to stay with a relative as no alternative accommodation could be arranged.

Once back in his property Mr P reported issues with a washing machine. I understand Admiral arranged for this to be resolved in addition to numerous other snagging issues that occurred throughout the repairs.

Having considered all of this, I don't think Admiral handled Mr P's claim effectively. There were significant delays in starting the work that haven't been adequately explained. This includes the initial strip out works, the drying process, and delays with contractors not turning up once the repairs had started. This resulted in the claim period lasting far longer that it needed to. It took around two months to complete the repairs. But it was around eight months in total from Admiral's first complaint response, before this was finished. Poor communication aggravated the frustration and distress Mr P experienced when trying to

progress matters more quickly.

I've thought about the impact this all had. I've seen photos showing mould on ceilings and inside cupboards in Mr P's kitchen. These photos were taken prior to alternative accommodation being arranged. I can understand that this was a worry for Mr P as his wife has a medical condition exacerbated by the presence of mould. It was also unpleasant for them to have to live in a damp environment. This shouldn't have happened as they had cover to provide alternative accommodation.

Mr P's wife underwent surgery and had to recuperate without being able to go home due to the ongoing repairs. Although Mrs P isn't a policyholder Mr P explains how this caused a great deal of distress.

In light of all this I think Admiral should pay Mr P compensation. It paid £700 for the issues that occurred from 21 March 2023. But I think it should pay more. It took eight months to complete the repairs. The evidence indicates this should've been completed far sooner. Because of the impact this had on Mr P, including the distress and inconvenience he was caused when also considering his wife's health concerns, I think it's fair that it pays a further £200.

Mr P says he had to pay bills at his home address whilst repairs were ongoing. But these are costs he will have paid regardless of his claim. If he has incurred additional costs he can contact Admiral for it to consider these. But I'm not persuaded that Admiral should pay the amounts he's highlighted.

I said I was intending to uphold Mr P's complaint and Admiral should pay him a further £200 in compensation for the distress and inconvenience it caused.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Admiral responded to say it accepted my provisional decision.

Mr P responded to say he had nothing else to add.

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.

As neither party has made any further submissions or provided further evidence for me to consider, I see no reason to change my provisional findings.

So, my final decision is the same as my provisional decision and for the same reasons.

My final decision

My final decision is that I uphold this complaint. Admiral Insurance (Gibraltar) Limited should:

- pay a further £200 compensation for the distress and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 31 July 2024.

Mike Waldron
Ombudsman