

The complaint

Miss C complains about how Admiral Insurance (Gibraltar) Limited handled a claim made on her motor insurance policy. She wants her car repaired.

What happened

Miss C's car was damaged in an accident, and she made a claim on her policy. Admiral took the car for repairs and an estimate was completed by its approved repairer showing that the car was beyond economical repair. Miss C told Admiral thought the estimate included unnecessary items and pre-accident damage. Admiral said Miss C could get a "second opinion".

So Miss C took her car to a non-approved garage which provided a much lower estimate. Admiral then approved this estimate, and the repairs were made. But when the car was returned to Miss C, it broke down. Admiral said this wasn't its responsibility because Miss C had used a non-approved repairer. So Miss C was without her car but still had to make payments for its finance.

Admiral agreed it hadn't followed its procedure and informed Miss C of the drawbacks of using a non-approved repairer. It paid her £100 compensation for this and the delay in responding to her complaint. But Miss C remained unhappy.

Our Investigator recommended that the complaint should be upheld. He thought Admiral should have followed its own procedure and told Miss C about the risks of using a non-approved repairer, but it hadn't done this. And he thought Admiral had approved the non-approved repairer's estimate. So he thought Admiral was responsible for the repairs made to Miss C's car and it should put them right. He also thought Admiral's decision had caused Miss C considerable trouble and upset and it should pay her £400 compensation for this.

Miss C replied that she had been without her car for a significant period and a courtesy car hadn't been provided whilst repairs were carried out. Admiral replied that it thought Miss C would have always gone with the non-approved repairer in any case as she wanted her car repaired and not written off. It thought it wasn't responsible for rectifying the repairs made by the non-approved repairer. As the parties didn't agree, the complaint has come to me for a final 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 can understand that Miss C feels frustrated that it took so long for her car to be repaired, and then when this was done the repairs weren't effective. She's explained that she has had to continue payments for a car she can't use and relies on friends and family for transport. I can understand that this must be stressful and inconvenient for her.

The problem started after Admiral's approved garage provided a repairs estimate for the damage to Miss C's car. Miss C said this included replacements for items that weren't needed and repairs for pre-existing damage. But Admiral didn't then review this estimate considering Miss C's concerns. Instead, it told her she could seek a "second opinion".

So Miss C obtained an estimate for the repairs from a non-approved garage. This was much lower than Admiral's garage's estimate. And Admiral has pointed out that it didn't include the items Miss C thought weren't needed. But, again, Admiral didn't then review this and consider what was related to the accident. Instead it seems to have negotiated labour costs with the garage. And it then approved the repairs. So Admiral treated the estimate not as a second opinion, but as an estimate from a non-approved garage.

In approving this, Admiral should have pointed out to Miss C the limitations of using a non-approved repairer. And, according to its procedure, it should have sent her a letter telling her that her repairs wouldn't be guaranteed.

I accept that the benefits of using an approved repairer are included in the policy wording. But I'm not satisfied that Admiral made Miss C aware of the drawbacks of using a non-approved repairer. And so I don't think it treated her fairly or reasonably as it didn't give her sufficient information to make an informed decision.

Admiral thought Miss C would have had her car repaired at the garage in any case as she didn't want it written off. But I haven't seen evidence to support this. Two days after Admiral's garage provided an estimate, Miss C indicated that she knew the options were repair or write off. She then questioned the accuracy of Admiral's garage's estimate because of the inclusion of unneeded and unrelated items. So I think Miss C reasonably took Admiral's advice and obtained a second opinion.

The difference in estimates was, as Admiral later pointed out, due to the absence of items included in Admiral's garage's report. But Admiral didn't question this before approving the repairs or having them done by its own repairer. I think this was unfair as if Admiral had thought all the repairs were needed, then it should have questioned this. And if it could have done the repairs more cheaply at its own repairers, then it should have offered this to Miss C with the benefits of a guarantee.

When a business makes a mistake, as I'm satisfied Admiral has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the error had on the consumer.

But for Admiral's error, Miss C would either have accepted a total loss settlement or chosen to have the repairs made at an approved repairer with a guarantee. Instead, Miss C's car needs further repairs related to the accident. To restore Miss C's position, I think Admiral should now ensure the accident-related repairs are completed. It may be that an independent assessment will help to establish what is needed.

Miss C has had further repairs made since the initial ones were completed. She wouldn't have incurred these costs without Admiral's error. So I think Admiral should now reasonably reimburse these costs, with interest, on provision of reasonable evidence for them.

Miss C said the delay in the original repairs being completed and the lack of a courtesy car should be considered. But I can't reasonably hold Admiral responsible for this as the actions of the garage weren't within its control. So I can't say that it was responsible for any avoidable delays or not providing a courtesy car.

Our Investigator recommended that Admiral should pay Miss C £400 compensation for the trouble and upset its errors caused. I can see that Miss C was caused distress and a loss of expectation when Admiral said it wouldn't help her after the initial repairs were done. She then had the trouble of finding alternative transport over a period of nine months and getting further repairs made. I'm satisfied £400 compensation is in keeping with our published guidance for the impact these errors had on Miss C, so I think that's fair and reasonable.

Putting things right

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

1. Ensure the accident-related repairs to Miss C's car are completed.
2. Reimburse Miss C for the costs she incurred when correcting the garage's repairs to her car until the present date, on provision of reasonable evidence for this. Interest should be added to this amount at the rate of 8% simple per annum from the date of payment to the date of settlement†.
3. Pay Miss C £400 compensation for the distress and inconvenience caused by its level of service.

†If Admiral considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss C how much it's taken off. It should also give Miss C a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 5 August 2024.

Phillip Berechree
Ombudsman