

## The complaint

Mr H had a motor insurance policy with Admiral Insurance (Gibraltar) Limited. He says it and its agent provided poor service and that his car was put in the wrong total loss category.

## What happened

Mr H's car was damaged in a malicious attack on 8 July 2023. He contacted Admiral's breakdown service. It took the car and agreed to deliver it to a garage of Mr H's choice by 10 July 2023. But the car wasn't delivered until 26 July 2023. He was without transport and didn't know where the car was, as the agent didn't update him. He reported the incident to Admiral on 14 July 2023 and told Admiral he thought its agent should have resolved the problem (sugar in the car's petrol tank) at the roadside.

Mr H didn't make a claim on the policy until five days later. He disagreed with the decision made by Admiral's engineer in September 2023 that the car was a category S total loss, as he thought the damage to it was relatively minor. He also thought Admiral should have given him a courtesy car, and that it should have updated him more about the claim.

In its response to his complaint, Admiral agreed that its contact with Mr H should have been better, and it offered him £25 compensation. It said he wasn't entitled to a courtesy car under the policy, so it wasn't liable for his transport costs. Its engineer said Mr H's car had been classed as a category S total loss twice previously, and industry guidance meant that the category was permanently attached to the car. In relation to the errors Mr H said its agent had made, Admiral said it had passed those complaint issues on to the agent for review. It noted that Mr H had asked for copies of call recordings, but it said he'd already made a subject access request ('SAR') which would address that issue.

One of our investigators reviewed Mr H's complaint. She thought it was reasonable for Admiral to declare Mr H's car a category S total loss, in line with standard industry practice. And she said there was no right to a courtesy car unless repairs to a car were authorised, which hadn't happened here. But she didn't think Admiral had paid Mr H enough for its poor contact with him. And in her opinion, Admiral was ultimately responsible for its agent's acts (including the delayed delivery of Mr H's car to the garage). The investigator thought there had been around five weeks avoidable delay on Admiral's part. She said Admiral should pay Mr H a further £200 compensation and add five weeks interest to the settlement sum. She also said it should consider any evidence he provided of transport costs he'd incurred during the five-week delay, and add interest to that sum. And she said as the SAR deadline had passed, Admiral should have dealt with the issue as part of its complaint resolution. Admiral accepted the investigator's proposal to increase the compensation, but it said it couldn't be held responsible for any delay until after 19 July 2023, when Mr H made the claim. The investigator pointed out that she'd allowed four weeks for the settlement after that date, but that the claim wasn't paid until 2 October 2023. Admiral also said it wouldn't pay for Mr H's transport costs without evidence of them, which the investigator accepted. Mr H said £200 wasn't enough compensation for the hassle he'd faced, whilst not being told what was happening, and for being without a car for so long.

As there was no agreement, the complaint was passed to me for review, and I issued a provisional decision as follows:

*I don't think Mr H has been able to show that the categorisation of his car was incorrect. A car that has been structurally damaged, even if repaired and put back on the road, retains the category S classification for life. So I don't think Admiral acted unreasonably in relation to this major aspect of Mr H's complaint.*

*Mr H faced great inconvenience by being without a car (or a payment for the car's total loss) from 8 July 2023 to 2 October 2023 (around 12 weeks). I think it's reasonable to expect a total loss claim of this type to be resolved within four weeks. Mr H thinks he had a right to a courtesy car for the whole period, but the policy doesn't provide for one unless Admiral has agreed to repair the car. The lack of a courtesy car is another major element of Mr H's complaint, but I don't think Admiral acted unreasonably by not providing one.*

*Although I can see that Admiral contacted its agent and passed on the complaint issues relating to the agent that Mr H had told it about, I haven't seen any evidence that the agent responded to Admiral or to Mr H. In any event, I think Admiral is responsible for the acts and omissions of its agent, including its delays.*

*It isn't possible to say whether Admiral's agent made the right decision in not dealing with the car at the roadside. In my opinion, the repair estimate indicates that it may well have been the right decision, as the tank needed to be replaced. Either way, what's clear is that the agent took the car away on 8 July 2023 and didn't deliver it as promised to a garage two days later. It didn't tell Mr H what was going on, causing him great distress and worry, to the extent that he reported the car to the police as stolen. I haven't seen any explanation for the 16-day delay in the agent getting the car to a garage for review, but I think it merits compensation.*

*Mr H's garage had the car from 26 July 2023, but its estimate wasn't issued until 18 August 2023. I think that delay was outside Admiral's control. But on 29 August Mr H had to chase Admiral as the garage was still waiting for the authorisation of the estimate. He asked if Admiral's approved repairer could look at the estimate, and Admiral asked Mr H's garage to send it photos of the damage for that purpose. Admiral's approved repairer responded two days later to say it wasn't going to deal with the repairs – but it was a further two weeks before Admiral's engineer declared the car a total loss (25 days after the date of the estimate from Mr H's garage). Two weeks later, the settlement offer was put to Mr H – and the payment wasn't made for a further two weeks.*

*Mr H had called to discuss the valuation on 26 September 2023, and he disputed the category S decision, which I think is likely to have contributed to the last delay. Admiral's settlement paid for the loss of Mr H's car, and as he retained it, he was able to have it repaired and put it back on the road. But in my view the settlement should have been offered and paid several weeks earlier than was the case.*

*I think the engineer could reasonably have been expected to review the estimate within a week, rather than four weeks – especially as the claim was by then a month old and Mr H had no transport throughout that period. I think the settlement offer should have been put to Mr H straight away once the decision was made, and to date, I haven't seen anything to show why that didn't happen. In my opinion, the avoidable delay in the process at this point was around five weeks (in addition to the two-week delay by Admiral's agent). So I think the overall delay in dealing with the claim was around seven weeks. I've taken into account that Mr H disputing the settlement would have added some time to the overall process.*

*Based on the information I've seen to date, I'm minded to say that Admiral should pay Mr H £325 compensation for distress and inconvenience in addition to the £25 it has already paid. I think that sum is a reasonable amount to cover the impact on Mr H of the avoidable delay, the lack of contact with him by Admiral and its agent, plus the failure to address the request for call recordings made in his complaint. I think Mr H was inconvenienced for longer than should have been necessary and was frustrated by the lack of progress and the lack of updates from Admiral and its agent, which led to worry, distress, and financial loss for him.*

*I think Admiral should also add interest to the settlement sum for the seven-week delay in finalising the claim. In addition, if Mr H can provide evidence of his transport costs or other financial loss during the two weeks his car was with Admiral's agent and / or during five of the weeks after the estimate was received by Admiral, it should consider them.*

I asked the parties to comment on my provisional findings, but neither party did.

### **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 the parties didn't comment on my provisional view, there's no reason to depart from it. So, for the reasons stated above, I'm upholding this complaint and I require Admiral to take the steps set out below to put matters right.

### **My final decision**

My final decision is that I uphold this complaint. I require Admiral Insurance (Gibraltar ) Limited to do the following:

- Pay Mr H £325 for distress and inconvenience (£350 in total)
- Add seven weeks interest to the settlement sum, at the simple yearly rate of 8%
- Consider any evidence Mr H may provide of financial loss as the result of being without a car during the seven-week period referred to above

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 27 September 2024.

Susan Ewins  
**Ombudsman**