

## The complaint

Mr P complains about the repairs that Admiral Insurance (Gibraltar) Limited made to his van after he made a claim on his motor insurance policy. He wants it to pay him the value of his van.

## What happened

Mr P's van was damaged in an accident and the other driver's insurer accepted liability. Mr P firstly agreed for the repairs to his van to be made through the other insurer. But he went back to Admiral two months later. Since then Mr P has made multiple complaints about the repairs and delays in the claim. And Admiral has issued five final response letters to his complaints. These concerned further damage caused by the repairer, the standard of repairs, delays in the claim, provision of a hire car and the loss of value of his van.

Admiral agreed its communication had been wanting, there had been delays and poor repairs. It paid Mr P £50 compensation for delaying payment of agreed compensation. Over the claim, it offered Mr P a cash payment in lieu of repairs and paid £300 compensation for delays, £50 for loss of use, £200 for poor communication, further loss of use and the need for further rectification, and £25 for his costs. But Mr P thought the repairs had taken too long, that this had affected the van's re-sale value and he wanted Admiral to pay him the value of his van.

Our Investigator recommended that the complaint should be upheld. She couldn't consider Mr P's first complaint about further damage caused by the repairer as it was brought to us outside the time limit our rules allow. But she noted that Admiral had upheld this complaint and paid Mr P £160 compensation for his trouble and upset and £50 for his costs.

But she thought Mr P had intended to sell his van. And Admiral had caused unreasonable delays in making the recovery and repairs and consequently should consider the loss of the van's value. During the time the van was awaiting repairs, mould grew inside it. Mr P was unable to find a repairer that would deal with this and the repairs with the cash in lieu payment made by Admiral. So she thought this wasn't a fair way to conclude the claim.

Admiral ended the hire car provision. But she thought Admiral wasn't responsible for Mr P having to take out a new policy to cover a courtesy car whilst his van was still unrepaired as this was a legal requirement.

She recommended that Admiral should pay Mr P the pre-accident market value of his van, less the cash in lieu payment already made, and extend hire accordingly. Or she thought it should locate a suitable repairer that could undertake all the work. She thought it should pay Mr P £250 further compensation for the trouble and impact caused by its handling of his claim. And she thought it should refund Mr P £50 for taxi fares he'd evidenced he'd incurred when the hire had been ended but his van hadn't been repaired.

Admiral replied that it agreed it had made errors in the claim. And it reconsidered and increased the cash in lieu offer. But it said a total loss payment wasn't warranted as the mould could be treated and the van repaired, and it would pay for these costs. It agreed to extend hire whilst the van was repaired, pay Mr P £250 further compensation, and reimburse his taxi fares.

But Mr P said he wouldn't accept anything less than the van's market value as he said he couldn't locate a repairer. Admiral offered the use of its approved repairer, but Mr P was unhappy with this. And it said that as he had accepted the earlier cash in lieu offer, it stopped the hire.

### **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 this has been a frustrating and stressful experience for Mr P. His van was only about three years old when it was tapped on the back by another driver. Since then there have been a catalogue of errors and delays in his claim. And now, almost two years since the accident, he says that he's unable to locate a repairer that is willing to deal with the mould in his van and the repairs needed. And he says the mould makes the van undrivable due to health and safety issues.

I can't consider here the service provided and initial work done on the van when Mr P had the claim dealt with by the other driver's insurer as that's a separate business to Admiral. And I can't consider Mr P's first complaint to Admiral about further damage caused to his van by its repairer as this was brought to us too late. But I can consider Mr P's further complaints, including one he made after he brought this matter to us as Admiral has provided a response to this and I don't think it would be fair to Mr P to drag this matter out any further.

Admiral has agreed that its service to Mr P has been poor. There were inordinate and unexplained delays, further damage caused, poor communication between the parties, and unrectified repairs after these had been approved. When a business makes mistakes, as Admiral accepts it 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.

I won't go into the details of Mr P's earlier complaints. This is because Admiral's senior engineer reviewed Mr P's claim journey and provided a detailed analysis of what had gone wrong, identifying mistakes that had occurred and which then caused further errors when they weren't corrected.

In summary, when Mr P complained about the repairs, Admiral appointed an independent assessor to inspect his van. But his report wasn't followed through correctly by Admiral.

A second independent assessor, appointed six months later, wasn't then properly briefed or provided with the previous engineering reports. So Admiral's senior engineer concluded that his report wasn't accurate as it included some unrelated repairs and didn't include one major repair needed.

The report also noted the mould in the van due to the long delay. He said this was potentially a serious health hazard and required specialised cleaning. The senior engineer didn't agree with this, but he didn't say why. And he didn't comment on the rust the assessor thought had been caused by the van sitting in water for long periods. He thought the van could still be driven. But as the independent assessor had viewed the car, I think his opinion is more persuasive.

The senior engineer then recalculated the costs of accident related repairs. He said these included the replacement of a side panel that had been repaired instead, and repairs to the front bumper. He increased the cash in lieu settlement from £3,325.36 to £6,041.63 including VAT, though he hasn't provided us with details of the breakdown of this so that I can see what has been included. And he proposed that Admiral would find a specialised cleaner to deal with the mould, for an estimated cost of £250.

So Admiral decided to not deal with the claim as a total loss, but to increase its cash in lieu settlement. I think it's entitled to do that by the policy's terms and conditions. But I don't think this would be fair or reasonable as a way of restoring Mr P's position. This is because Mr P said he'd been unable to find a repairer to deal with the rectification and the mould issues, and I have no reason to doubt him.

And Admiral said its own approved repairers wouldn't undertake to rectify another repairer's work. Mr P didn't want to return to the first approved repairer, and I think that's fair and reasonable in the circumstances given his previous experience. So I'm not satisfied that Admiral has provided Mr P with a feasible way of having his van repaired.

And so I think the only reasonable way for Admiral to restore Mr P's position is to provide him with a total loss settlement for the van's pre-accident market value at the date of its loss, less any cash in lieu payment already made.

Mr P had been unable to use his van, the hire had been withdrawn, and so he incurred £50 taxi fares. Admiral offered to reimburse this amount, on provision of receipts, as a gesture of goodwill. As I've said above, the second independent assessor had said the van was potentially a health threat. And so I can't say it was unreasonable for Mr P to decline to use the van for this reason. And so I think Admiral should reimburse Mr P's taxi fares in any case.

Admiral withdrew the hire provided to Mr P as it said Mr P had accepted its earlier cash in lieu offer. But I don't think this was fair or reasonable. This is because our Investigator recommended that Admiral should provide Mr P with hire until his claim was settled. In the case of repairs, this would be until they were completed. And Admiral agreed to do this as its senior engineer agreed they hadn't been completed and that the previous cash in lieu offer was inadequate. But this doesn't seem to have been communicated internally.

But as I'm satisfied that Admiral should settle the claim as total loss then hire should be extended until a settlement has been paid. And so I think Admiral should reasonably consider Mr P's loss of use, and any expenses he incurred, since it withdrew his hire unfairly until it pays him a settlement. If Mr P is unhappy with its offer of compensation for this, he can complain and, if he remains unhappy, bring his complaint to us.

Mr P had to take out a new policy with Admiral in order to hire a courtesy car and he thought Admiral should reimburse this cost. But I don't think that would be fair or reasonable as Mr P would have had to take out a new policy for his van in any case as that's a legal requirement. And Admiral isn't responsible for the hire company's requirements.

Admiral agreed to pay Mr P £250 further compensation for the trouble and upset caused by its handling of his claim. I think this along with its previous payments is in keeping with our published guidance for the impact caused by its handling of the claim. And so I think that's fair and reasonable.

### **Putting things right**

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

1. Pay Mr P the pre-accident market value of his van, less the cash in lieu payment already made (unless it can locate a suitable repairer that could undertake all the work) and extend hire until the repairs are completed or the settlement is paid.
2. Consider Mr P's loss of use, and any expenses he incurred, since it withdrew his hire unfairly until it pays him a settlement or repairs his car.
3. Pay Mr P £250 further compensation for the trouble and impact caused by its handling of his claim, as it's already agreed to do.
4. Refund Mr P £50 for taxi fares he'd evidenced he'd incurred when the hire had been ended but his van hadn't been repaired, as it's already agreed to do.

### **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 Mr P to accept or reject my decision before 19 December 2024.

Phillip Berechree  
**Ombudsman**