

The complaint

Mr A has complained about the way Admiral Insurance (Gibraltar) Limited dealt with a claim his son, also Mr A referred to as X, made under a temporary car insurance policy.

For ease, my decision refers to Mr A as the owner of the insured vehicle and the complainant.

What happened

In September 2022 a temporary car insurance policy was purchased with Admiral for five days so that Mr A's son could drive Mr A's car. So the policy was in Mr A's son's name.

Unfortunately Mr A's son was involved in an incident and damaged Mr A's car in a public car park. Mr A contacted Admiral to report the incident. The car wasn't driveable due to the damage.

Between September 2022 and November 2022 Mr A chased Admiral for the car to be collected from the car park for repair. Admiral contacted a number of approved repairers (AR)s, but each one declined the works over this period.

Ten days after the incident, Mr A made the decision to hire a car as he needed one to go to work. Mr A raised a complaint with Admiral for the delay in arranging for the car to be collected and for repairs.

Due to the delay, Admiral agreed for Mr A to arrange for a non AR to inspect the car and provide a report on repairs. Having done so, Admiral settled the claim as a total loss settlement because it wasn't economical to repair the car. Admiral settled the claim over two months after the incident.

Mr A wanted Admiral to reimburse him for his hire car costs and car parking fees. Admiral said it would consider the car park fees if Mr A provided proof, but it said it wouldn't meet the costs of a hire car. Admiral paid Mr A £150 compensation for the distress and inconvenience caused by the delay. But it said the policy didn't provide a hire car in these circumstances.

Mr A remained unhappy and asked us to look at his complaint. Our Investigator issued three views. In the final view, he thought it was fair for Admiral to reimburse Mr A for the costs of a hire car up until it made the total loss settlement. Even though the policy didn't provide for one, he didn't think it fair for Mr A to have been left without a car because of Admiral's poor service. The Investigator recommended Admiral reimburse Mr A for the majority of the hire car costs and the car parking fees with interest.

Mr A accepted the Investigator's view. Admiral didn't agree. I've addressed their reasons in my findings below.

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.

It's clear from the timeline that from the outset Mr A did all he could to progress the claim. Admiral's notes show Mr A was in regular contact chasing for when an AR would collect the car and for an outcome as to the repairs.

Mr A has provided receipts to show he arranged for a hire car ten days after the incident. And the category of hire car he arranged was a basic hatchback. Admiral accepts it caused delays, but says Mr A didn't let it know he had hired a car until 6 October 2023. And it says the rate Admiral would have paid to arrange a hire car is less. But I don't think this makes a difference because Admiral's policy said it wouldn't provide a replacement car. And its notes show Admiral didn't agree it should, even though there was an unreasonable delay in dealing with the claim.

If Admiral had dealt with the claim promptly, I don't think Mr A would have been put in the situation where he had to decide whether to hire a car. And I think he has done his best to mitigate the costs of doing so. He says he paid cash for taxi fares too, but as there is no evidence of this I cannot consider these financial losses.

I think a fair and reasonable outcome is for Admiral to reimburse Mr A for the costs he paid for a hire car up until the date it paid a total loss settlement. And with the evidence of the car park fees provided by Mr A, Admiral should reimburse these costs with interest too.

Admiral has already paid Mr A £150 compensation for the distress and inconvenience caused. I think this sum, along with the remedies set out in my decision, is enough to put things right. I appreciate that Mr A was concerned as to the ongoing car park fees, the location of the car and having to regularly chase for its collection and for an AR to agree to look at it, while not having use of a car. It's clear the delays caused Mr A distress and inconvenience over and above what would be reasonably expected when having to deal with a claim.

My final decision

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

- Reimburse Mr A for the costs of paying for car park fees, which Admiral agreed to, subject to proof of payment.
- Reimburse Mr A for car hire costs up until the date Admiral paid the total loss settlement.
- Pay interest on the reimbursements at a rate of 8% simple interest a year from the date of payment to the date Admiral pays.

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

Geraldine Newbold
Ombudsman