

## **The complaint**

Miss V complains about Admiral Insurance (Gibraltar) Limited's handling of her home insurance claim.

## **What happened**

The background to this complaint is well known to both parties, so I'll provide only a brief summary here.

Miss V has a home insurance policy underwritten by Admiral which covers the buildings of her home and its contents.

She made a claim in 2019 after her flooring collapsed in the area around her bathroom due to an escape of water. Admiral accepted the claim and carried out repairs.

Miss V thought those repairs may not have been carried out effectively – she was experiencing on-going issues with damp in the area.

She raised her concerns with Admiral in mid-2020. They sent a surveyor to carry out an inspection and their conclusion was that any issues weren't associated with the original insured event (the escape of water) but were likely due to rising damp.

Miss V raised the issue again with Admiral in July 2022. At that point, she was experiencing severe problems with the area around the flooring of the bathroom.

Admiral recorded this as a new claim. They inspected the property and accepted the claim within a reasonable timeframe. They agreed to move Miss V and her family into alternative accommodation and began drying out works.

In short, progress after that point appears to have slowed down considerably. This led Miss V to make a complaint to Admiral.

She was unhappy with the delays in the necessary repair works. She said she was having to chase Admiral and/or their agents for updates and getting little meaningful response at all. This included Admiral's agents failing to call her back on occasions and failing to answer her queries about specific parts of the scheduled repair work.

She was also unhappy that Admiral had recorded this as a new claim. She felt the issues were the same as or related to the issues which had supposedly been fixed after her 2019 claim.

She was unhappy that her alternative accommodation had been delayed when her floor was dangerous. And that she'd had to arrange alternative accommodation herself and move several times in the first few months.

She also complained that Admiral hadn't reimbursed her for electricity bills she'd paid for the period when drying out had been carried out at the property.

In short, Admiral upheld Miss V's complaint on all points except for the one about recording two claims. They said their loss adjusters had confirmed that whilst it was a similar issue that had caused the most recent problems, it wasn't the same as the issue which had been repaired in 2019.

For the delays and poor communication / service, including delays in payments made to Miss V, they paid her a total of £475 in compensation.

Miss V wasn't happy with this outcome and brought her complaint to us. Our investigator looked into it and thought Admiral did need to do more to put things right for Miss V.

She said Admiral should pay a further £525 compensation for Miss V's trouble and upset. They should record one claim only relating to the events in 2019 and more recently. And they should pay interest at 8% simple on the late electricity reimbursements.

Admiral disagreed and asked for a final decision from an ombudsman. They said there was no evidence Miss V had paid the electricity bills.

And they felt any part of the suggested increase in compensation which rested on the idea that they hadn't handled the alternative accommodation very well was unjustified. They said their agents had done all they reasonably could to try to put Miss V and her family in suitable alternative accommodation.

Miss V had her own reservations about the view too. She felt our investigator had only considered her trouble and upset since she went back to Admiral to report on-going issues in July 2022. And if this was indeed one claim – about the same or similar issues which ought to have been sorted in 2019 – then she was due compensation for the whole of that period.

I agreed with our investigator that the complaint should be upheld, but I disagreed about what Admiral needed to do to put things right. So, I issued a provisional decision. This allowed both Miss V and Admiral an opportunity to provide further information or evidence and/or to comment on my thinking before I make my final decision in this case.

### **My provisional decision**

In my provisional decision, I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

At the outset, I should say that Admiral and Miss V are now in complete agreement about the work that is to be done to repair her property. So, there's no dispute about how the claim is going to be settled. I'll deal with the remaining live issues below.

#### *One claim or two?*

Miss V thinks the issues with the flooring in 2019 and more recently relate to the same cause or a connected cause. Admiral have said they do not – that what they've seen as the "second claim" relates to an escape of water entirely unconnected to the issue in 2019.

It seems to me overwhelmingly likely that the issues and 2019 and more recently are in fact linked. There's a problem with damp - and damage caused by damp - in 2019 in a particular area of the house, caused by an escape of water beneath the bathroom floor.

Miss V is convinced that there's still an issue very soon after the repairs have supposedly been completed – she reports on-going issues in mid-2020. It's in the same area of the house and the damage is caused by damp or an escape of water underneath the bathroom floor.

On the face of it, it's very likely that's the same issue recurring and/or the damage wasn't rectified properly in 2019 and/or it's a connected issue that should have been apparent – and repaired – in 2019. What are the chances of two entirely unrelated and unconnected leaks in exactly the same place within months of each other? The latter not being manifest at all in 2019 but causing considerable and noticeable damage by 2020?

Admiral at first said the issues reported by Miss V in 2020 were due to rising damp. That proved not to be the case. Eventually, in 2022, they had a survey of the water pipes carried out. That showed that there was a leak. The mis-diagnoses of the problem along the way don't inspire great confidence in Admiral's assertion now that the current issues are unrelated to those in 2019.

Furthermore, Admiral's contractors have explicitly stated that the more recent problems are directly related to the problems in 2019. They've told Miss V that – and it's evident in the claim documentation we have on our case file.

So, it's my intention – unless I receive further persuasive information or evidence to change my mind – to conclude that what we have here is one on-going problem from 2019 to the present. And that being the case, Admiral can't justifiably regard Miss V as having made two separate claims.

I'm therefore minded to require Admiral to change any record they themselves maintain or that they've shared with others to show this as one claim, beginning in 2019.

### *Compensation*

It follows from that conclusion that Miss V has suffered a degree of worry, stress and inconvenience throughout the period from 2019 onwards, caused by Admiral's errors in not properly addressing the issues she raised.

This is important because our investigator said Admiral should pay an additional £525 in compensation for Miss V's trouble and upset between the date at which she contacted Admiral in July 2022 and the date Admiral issued their final response to Miss V's complaint in late March 2023 (the rules which govern our service say we can't look at things after that point because Admiral should have a chance to respond to any further complaint points themselves and potentially resolve things with Miss V).

I don't think an extra £525 for that period in particular is unreasonable. Admiral have admitted the service they provided was not at the standard they'd hope. Miss V's calls weren't returned. Her perfectly valid queries about the repairs and the timetable weren't answered. And she was left to chase progress when none was being made. See also my comments below about alternative accommodation.

But it's my view that Admiral also need to compensate Miss V for the trouble and upset she suffered from the supposed completion of the 2019 repairs onwards. So, there's an additional period (late 2019 to July 2022) I need to take into account.

In that additional (earlier) period, Miss V was still in her house – and the damage hadn't become so bad that the usual facilities were unusable. However, Miss V was undoubtedly stressed by the situation – she thought she had on-going damage to her house but couldn't convince her insurer to accept that further repairs were needed. That would have been very worrying.

Miss V also had to contact Admiral several times before they eventually accepted that they needed to return to the property to carry out further repairs. That was, again, stressful and also inconvenient for Miss V.

If I receive no further information and evidence to change my mind then, I'm minded to require Admiral to pay an additional £1,025 in compensation to Miss V (£500 more than our investigator suggested) to properly compensate her for the whole period in question.

### *The Alternative Accommodation*

Admiral have suggested, in response to our investigator's view, that the compensation she suggested was too much because some of the amount rested on the idea that they'd let Miss V down in terms of sorting out alternative accommodation for her and her family after the floor in her house collapsed.

They say they – or their agents – took all reasonable steps to provide suitable alternative accommodation, but it was difficult because Miss V had pets (a cat and a dog), there was a limited supply of rented housing in the area and Miss V turned down some offers of alternative accommodation.

In fact, Miss V's dog has lived with relatives or friends throughout and so hasn't impacted the availability of alternative accommodation at all. Miss V also lives in a large metropolitan area of the UK, not in a rural backwater with limited housing stock.

Admiral told us Miss V turned down several offers of accommodation, but then in the same communication told us that the offer (singular) she turned down was because the property was 4.6 miles from her children's school.

I can't see anywhere in Miss V's policy documents that Admiral advise customers they might not be able to source alternative accommodation if the customer has pets. And lots of their customers no doubt have pets. Or that they'll be unable to source alternative accommodation within a four-mile radius of work / schools – in a large city.

What Admiral promise to do – if the criteria are met, which they clearly were in this case – is to provide alternative accommodation whilst repair work is being carried out. I think a customer living in a large city, with a small family and a cat, might reasonably expect Admiral would be able to keep that promise.

If they can't, then they shouldn't make the promise in their policy documents (at least not without some clear and defined caveats).

### *Interest on the electricity bills*

According to the evidence we have, it appears two payments were made to Miss V to cover electricity costs - £350 on 12 December 2022 and £529 on 13 January 2023.

Miss V has said she had to pay at least some if not all of that money out in

September 2022. If so, that left her out of pocket for several months. And, in that case, we'd expect Admiral to pay her interest at 8% simple on those amounts over those periods of time.

Admiral say Miss V may not have paid the bills – which I think is extremely unlikely. However, I'm minded at present to require Admiral to add interest to those payments as and when they receive proof from Miss V (invoices or bank statements, for example) to show when those payments left her account."

So, to summarise, I said I was minded to require Admiral: to ensure the events from 2019 onwards were recorded as one claim; to pay Miss V a further £1,025 in compensation for her trouble and upset; and to pay interest at 8% simple on the electricity payments made by Miss V up to the date Admiral had reimbursed her (if and when Miss V provided proof of the date she made those payments).

### **The responses to my provisional decision**

Admiral responded to my provisional decision to say they agreed with my proposed outcome.

Miss V hasn't responded. I assume this is because she may also agree with the proposed outcome.

### **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.

Admiral agreed my provisional decision. And Miss V hasn't objected to it. Nonetheless, I have looked again at all the information and evidence we have on file.

Having done so, I can see no reason to change my mind about the outcome proposed in my provisional decision.

### **Putting things right**

I explained what I thought Admiral needed to do to put things right for Miss V – and my reasons for coming to those conclusions - in my provisional decision (above).

### **My final decision**

For the reasons set out above and in my provisional decision, I uphold Miss V's complaint.

Admiral Insurance (Gibraltar) Limited must:

- ensure that all records they keep, or they've provided to shared databases, show this series of events as one claim only (covering all of the repairs from 2019 to the present day);
- pay Miss V a further £1,025 in compensation for her trouble and upset; and
- on receipt of proof of date of payment, pay Miss V 8% simple interest on the payments they made to cover her electricity costs – calculated from the date Miss V paid her bill(s) to the date Admiral reimbursed her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 22 November 2023.

Neil Marshall  
**Ombudsman**