

The complaint

Ms E complains about the way Admiral Insurance (Gibraltar) Limited has handled claims she made on her home insurance policy.

What happened

In early 2022, Ms E contacted Admiral to report a leak which had affected the electrics in her kitchen.

Around the same time, Ms E reported another leak. Between both leaks, there had been damage to a kitchen, an ensuite bathroom, a dining room and a flat roof. Admiral opened a separate claim for the second leak.

After a number of months had passed, Ms E made a complaint about the handling of the two claims. She said a number of parties were involved but it wasn't clear who was doing what works. She also said strip out works had started to the kitchen and ensuite, but then no further work had happened.

In July 2022 Admiral accepted its service had been poor in a number of areas and it offered £800 compensation. It also said it would look to appoint one supplier to deal with the reinstatement of the property.

Ms E remained unhappy so asked us to consider her complaint against Admiral. There were further issues that happened after the complaint was referred to our service:

- In October 2022, Admiral did a site visit to determine the scope of the works
- In November 2022 it said it would be cash settling the claim, rather than carrying out repairs.
- In December 2022, an offer of around £17,000 was made. This was then paid in February 2023.

Ms E continually raised complaints about the cash settlement and the state of her property during this time with Admiral. This service hasn't seen a copy of any further complaint responses, but as our investigator was satisfied Admiral had time to respond to these complaint issues, she considered matters up until February 2023. She made the following recommendations:

- Admiral should review the quotes from Ms E and revise its offer of £17,000 to reinstate the property
- Admiral should carry out a moisture test on the property to confirm it is dry.
- Admiral should pay a disturbance allowance of £10 per day from the date Admiral became aware of electrical issues to the kitchen, until the date Admiral paid the settlement amount.
- Admiral should pay a further £400 compensation for the distress and inconvenience caused by its poor handling of the claims.

Admiral accepted it would pay disturbance allowance for the period set out, which amounts to £3,500. It said it would agree to a further £250 compensation. It didn't explain why it felt £400 was too high. It didn't provide a response to the investigator's findings on repairs or a moisture test.

As the matter hasn't been resolved, it has come to me to decide.

I've already been in touch with both parties to say I intended to change the outcome slightly. I said I wasn't satisfied Admiral acted fairly in issuing a cash settlement in February 2023. The handling of the claim from when it was first reported until October 2022 was exceptionally poor, it seems Admiral had numerous contractors involved which was confusing for itself and Ms E. Strip out works were started, and left, only for Admiral to then issue a cash settlement onto Ms E. Admiral has said she asked for a cash settlement, but I said I wasn't persuaded this was the case.

The quotes Ms E has provided for the repairs amount to £70,000, and it's unclear whether all of that is claim related damage. So I said I couldn't fairly ask Admiral to pay that amount. So in order to resolve things I said I was minded to decide that Admiral should appoint an independent surveyor to assess the property and quote for all areas of claim related damage, and make Ms E a cash settlement offer to include all of the works. It should also ensure the amount offered is enough for Ms E to pay for the work to be done privately, so it cannot reduce any amount for any discounts Admiral might receive from using its own contractors. It needs to provide Ms E with the names of three independent surveyors, Ms E can then choose which to appoint. And both parties will be bound by the findings of that report.

I also said I was aware Admiral has made some payments for the poor handling of this claim. I was minded to say it should pay a total of £1,500 for the unnecessary distress and inconvenience caused (inclusive of any amount already paid). From March to October 2022, little progress was made on the claim and communication was poor. Admiral had also started strip out works but then stopped, leaving Ms E's kitchen and ensuite in a poor state. Ms E found it very distressing to be in her home at Christmas, so she went into a hotel. I considered this was down to the delays in Admiral getting started with the claims. I agreed it should pay the disturbance allowance of around £3,500.

Admiral didn't provide a response to my provisional findings. Ms E responded to ask whether her Christmas stay at a hotel would also be covered by Admiral.

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.

Having reviewed matters again, my findings are the same as those set out in my provisional findings.

When Ms E reported the claims, she reported damage to her kitchen and dining room, an ensuite bathroom and a flat roof. Admiral has only provided this service with two scopes of work, one for the kitchen, and one for the ensuite bathroom.

I haven't seen any scope of work for damage caused by an escape of water to the dining room, or flat roof. Nor has Admiral provided this service with any evidence as to why these areas aren't covered.

Ms E has provided quotes from her own builder on repairs to the four areas noted above. These quotes amount to £70,000. So clearly there is a large difference. And it is difficult to determine how much of this cost is to repair claim related damage. So Admiral needs to appoint an independent surveyor to assess the property and quote for all areas of claim related damage, and make Ms E a cash settlement offer to include all of the works. It should also ensure the amount offered is enough for Ms E to pay for the work to be done privately, so it cannot reduce any amount for any discounts Admiral might receive from using its own contractors. It needs to provide Ms E with the names of three independent surveyors, Ms E can then chose which to appoint. And both parties will be bound by the findings of that report.

It will also need to pay a total of £1,500 compensation to Ms E, inclusive of any amount already paid. And it will need to pay disturbance allowance of around £3,500 for the time Ms E was without a properly functioning kitchen.

Ms E has asked whether I will require Admiral to also pay for her Christmas stay at a hotel with her son. Having considered it, I'm not going to ask Admiral to cover this loss. Whilst I understand why Ms E didn't want to spend Christmas in her home whilst it wasn't fully repaired, I have already factored this into the distress and inconvenience compensation I have awarded. And through the disturbance allowance, Ms E has also been compensated for being without her usual facilities.

Admiral's handling of this claim and response to this service has been poor, I'd expect it to provide Ms E with the names of three independent surveyors without delay, in order to move things forward for Ms E.

My final decision

My final decision is that I require Admiral Insurance (Gibraltar) Limited to:

- Provide Ms E the name of three independent surveyors to come up with a cash settlement offer for all of the outstanding claim related repair work needed on the property.
- Pay disturbance allowance from the date Admiral became aware of electrical issues to the kitchen, until the date Admiral paid the settlement amount in February 2023.
- Pay Ms E a total of £1,500 for the unnecessary distress and inconvenience caused

Admiral Insurance (Gibraltar) Limited must pay the compensation within 28 days of the date on which we tell it Ms E accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 9 August 2023.

Michelle Henderson
Ombudsman