

The complaint

Mr S complains about Admiral Insurance (Gibraltar) Limited's handling of a motor claim on his car insurance policy.

What happened

Mr S complains about the poor communication he's had from Admiral including lack of updates, unnecessary delays in dealing with the claim, having to chase both Admiral and the third-party insurer to progress his claim, general complaint handling. He also complained that Admiral hadn't considered the impact this has had on his mental health.

In their final response letter, Admiral say they accepted all the complaint points Mr S had raised except for his point about his mental health. They say they had considered this. In recognition of their failings, Admiral offered Mr S £400 compensation. Mr S didn't accept the offer and asked for £1,200 to resolve his complaint.

Our investigator considered the complaint and said that complaint handling in itself was not a regulated activity that could be considered by this service. He added that the delays in progressing the claim was unfair to Mr S and that Admiral could have communicated with him better. He concluded that £400 was a fair amount to compensate him for these issues.

Mr S didn't agree with this outcome, so this has come to me for a final decision.

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 done so, I will not be upholding this complaint. I will explain why.

DISP rule 2.5.1 R of the Financial Conduct Authority Handbook says that complaint handling itself is not considered a regulated activity. Mr S complained that Admiral hadn't considered his mental health issues when dealing with his complaint. He wasn't complaining about the provision of, or failure to provide financial service, or the manner in which Admiral administered the financial service, he is complaining about his complaint and not the original claim Admiral was dealing with. As such, I am unable to look at Admirals handling of his complaint.

In relation to the other complaint points to do with their handling of his claim, lack of claim progression, lack of communication from Admiral, mis-communications, and general delays in the claim handling are all issues that can be considered. I can see that in their final response letter on 28 February 2023, Admiral had already accepted responsibility for these complaint points, so I see no merit in going over these again. What remains in dispute is the amount of compensation Admiral offered him, so I will concentrate on this point.

It is clear that Mr S has suffered unnecessary distress and inconvenience. The lack of progress made and mis-communications about the claim handling were only compounded by the lack of communication from Admiral. This meant Mr S was having to continually chase them to get updates. Mr S's request for £1,200 to resolve this complaint is considerably more than the award we would make in this kind of situation. I don't say this to undermine the strength of feeling he has in this case or the level of distress and inconvenience he has suffered, but awards of this scale by this service are generally made in exceptional circumstances where considerable distress has been caused.

Awards made by this service in these types of complaints are in general quite modest. I'm aware Mr S has previously been paid £250 for the cost of phone calls and inconvenience. Taking into account the circumstances of this complaint, I consider Admiral's offer of £400 compensation to be reasonable and in line with the amounts we would offer at this service. As such, I will not be asking them to do more.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint against Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 25 October 2023.

Naima Abdul-Rasool
Ombudsman