

The complaint

Mr B and Mrs B are unhappy with the service provided by Admiral Insurance (Gibraltar) Limited (Admiral) following a claim made on their home insurance policy.

Mr B and Mrs B are both parties to this complaint. Mr B has primarily dealt with this service. For ease of reference I have referred to Mr B throughout this final decision.

Admiral are the underwriters of this policy. Part of this complaint concerns the actions of third parties instructed on the claim. Admiral have accepted they are accountable for the actions of third parties instructed by them. In my decision, any reference to Admiral includes the actions of any third party instructed by Admiral during the course of Mr B's claim.

What happened

In December 2022 Mr B returned home from holiday to find that water had escaped from his loft following a burst pipe. Mr B contacted Admiral to register a claim for the damage caused to his home, and contents. Admiral instructed a loss adjuster to assess the damage, and provide a scope of works. But Mr B didn't receive any material updates about his claim, and so made a complaint in February 2023.

Admiral recognised that the claim had not been handled in line with their usual service standards. Admiral offered Mr B £150 in recognition of the delays on the claim, and impact on Mr B. Mr B asked for this service to consider his complaint. After our involvement Mr B agreed to accept the £150 offered for the delay up to February 2023, but also made a further complaint about the lack of progress on his claim since the final response letter.

On 3 April Mr B sent a quote to Admiral from his own appointed contractor to complete the outstanding remedial work needed to settle the buildings part of his claim. Mr B also requested an allowance to compensate him for the additional expenses incurred as a result of living in his home with the repairs outstanding. Mr B continued to chase Admiral for a response. On 12 May Admiral agreed to settle Mr B's claim for *'the building damage minus the xs.'* This was based on the estimate Mr B had provided in April.

On 22 May Mr B was informed Admiral would pay a Disturbance Allowance of £10 per person for 145 days. Mr B was informed payment for £5,800 would be made in recognition of the four adults living in the property over that period.

Mr B informed Admiral that a third party (company P) had caused damage to his wall when completing an investigation as part of the claims process. Admiral asked for a quote on headed paper to consider settlement of this part of Mr B's claim.

Admiral responded to Mr B's second complaint on 21 June 2023, providing a response to 10 issues raised by Mr B. Broadly Mr B's complaints concerned the delay in settling his claim, the amount offered for the buildings part of his claim, the customer service provided by the third parties instructed on his claim, damage to the wall caused by company P, and the health issues suffered by Mr B and his family because of having to live in damp conditions in their home for a prolonged period of time.

Admiral agreed that the service provided for the complaints relating to delay and communication were justified. Admiral accepted these issues could've been better handled. In recognition of the impact on Mr B Admiral awarded £500 compensation (later increased to £700). Admiral also agreed to pay simple interest of 8% per annum (totalling £118.98) on the payment of £5,800 that had been issued in May. This was to compensate Mr B for not having access to this money earlier in the claims process.

In respect of Mr B's complaint about the amount offered in settlement of the buildings part of his claim, Admiral explained this claim was settled in line with the estimate provided. Admiral also explained the scoring of the wall was completed for the purposes of moisture evaporation. Mr B was informed this would be covered as re-instatement works. In respect of Mr B's complaint about the impact on his health, Admiral requested for Mr B to provide evidence, such as a doctor's report, to confirm the cause of any issues. This was to determine if any issues could reasonably be linked to the living conditions of Mr B's home. Admiral said on receipt of this evidence, they'd further investigate.

The investigator found that the compensation paid, and explanation provided by Admiral for the complaints that were not upheld, was fair. The investigator didn't ask Admiral to do anything in settlement of Mr B's complaint. The investigator explained Admiral's actions had only been considered for the period between the date of the final response letter in February 2023, to the date of the final response in June 2023.

Mr B didn't accept the investigator's findings saying (amongst other things) *'We were extremely exhausted, we had to spend the whole night cleaning the place, we were not able to rest at all. My daughters had exams, they did not have a stable environment at home to study, their studies were affected. My wife has a lot of health issues, diabetes being one of them. To summarise, I certainly deserve way more than £10pp per day... Kindly compensate me £250 per day... The amount of time that I [had to] spend in order to communicate with Admiral regarding the insurance claim via phone & email is quite enormous, which I cannot express with you in words.'*

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 the evidence, I agree with the investigator's outcome on this complaint for broadly the same reasons. I can understand this is likely to come as a disappointment to Mr B but I hope my findings go some way in explaining why I've reached this decision. I've focused my comments on what I think is relevant. If I haven't commented on any specific point it's because I don't believe it has affected what I think is the right outcome.

I've considered all of Mr B's complaints from the final response letter. I've seen that in response to the investigator's findings, Mr B has primarily referenced being unhappy with the level of compensation offered by Admiral for the impact on him, and his family. For completeness I've summarised my response to the other complaints.

Compensation for initial complaint

Mr B's initial complaint about delays at the start of the claim was considered by this service in May 2023. Mr B accepted the investigator's findings at the time. Admiral have explained the compensation offered in their response provided in June 2023, covered events from the date of their previous final response letter provided in February 2023 to June 2023- so didn't include anything that happened before February 2023. The reason for this is because events

prior to February 2023 had already been dealt with under the February 2023 final response letter. I'm satisfied this explanation is reasonable, and in line with this service's approach.

Settlement of buildings remediation work

Mr B's claim for the remedial work required to the buildings part of his claim was settled in line with the estimate of costs provided to Admiral in April 2023. I'm satisfied that Admiral have settled this part of Mr B's claim reasonably. I haven't seen any evidence of Mr B requesting Admiral consider any other buildings related costs. I won't be directing Admiral do anything in settlement of this complaint.

Hole in wall

Mr B raised concerns about damage to a wall in his home. Mr B says this damage was caused by company P when completing their investigation. Admiral have explained that the scoring of the wall was completed for the purposes of moisture evaporation. Mr B has been told that this would be covered as re-instatement works. Mr B has been asked to provide a quote for repairs, but I can't see that this has been provided. I think Admiral's response to this issue is fair and reasonable.

Lack of updates and delays

It's not disputed that Admiral should've done more to progress Mr B's claim in a timely way. I've seen that Admiral were in receipt of a quote for repairs from Mr B's own contractor in early April 2023. But they didn't update Mr B about the impact on his claim until several weeks later. It wasn't until mid-May that Mr B was told that he would receive payment in line with the estimate that he'd provided. Admiral also accept that there were several occasions where Mr B chased Admiral, and he didn't receive a timely response.

Admiral accept that the service provided fell short of their usual standards. So the dispute now relates to the award of compensation that should be paid in recognition of what went wrong, and the impact on Mr B.

It might be helpful to explain that the payments made to Mr B concern two separate compensation payments.

The first payment for £5,800 is Disturbance Allowance. This amount is usually awarded to recognise any additional costs incurred. Mr B remained in his home for the duration of the claim. Mr B didn't specify any additional costs incurred during this time. So Admiral instead agreed to pay a rate of £10 per day for each adult in the family living at the insured property.

I'm satisfied that this amount is industry practice for when a consumer doesn't have documentary evidence to demonstrate any reasonable additional expenses they've incurred. Mr B says payment of £250 a day would be a fairer reflection of the upset and inconvenience suffered during this time. I've considered Mr B's comments. Whilst I am empathetic to the difficulties Mr B must've faced while his claim remained unresolved, I won't be asking Admiral to pay more than what's already been paid for the Disturbance Allowance part of Mr B's compensation. The reason for this is because this allowance isn't usually for any kind of trouble and inconvenience suffered because of what went wrong with the claim. The Disturbance Allowance specifically recognises additional expenses. As Mr B didn't provide evidence of additional expenses, I'm satisfied the amount paid by Admiral is reasonable.

Admiral awarded Mr B £700 in recognition of the impact on Mr B because of the delays, lack of communication, and poor handling of his claim. Mr B says that £700 compensation for the

trouble and upset experienced from February to June 2023, doesn't go far enough in addressing the impact on his health and well-being over a prolonged period of time.

Having considered what's happened, and the impact on Mr B, I'm satisfied £700 compensation is reasonable, and broadly in line with what this service would direct in the circumstances. This amount takes into consideration the undue delays in updating Mr B about next steps for his claim. It also accounts for the weeks of waiting for remedial work to begin. Because of these delays, Mr B was forced to continually raise issues with Admiral about the impact on his health and well-being. Mr B was also concerned for his family, as a result of having to stay in mouldy, damp conditions, over a prolonged period of time.

I've carefully considered Mr B's comments about the health issues suffered by Mrs B because of the unsuitable living conditions that they had to deal with over several months while waiting for their claim to be resolved. Mr B has explained how Mrs B's underlying health conditions were made worse as a result of the stress caused by the poor handling of their claim. Admiral have informed Mr B that they'd be willing to consider the impact on Mr B's and Mrs B's health following evidence of a medical report linking any health issues with the state of Mr B's home while the claim remained on-going. I think Admiral's response here is reasonable.

I don't doubt the upset and stress experienced by Mrs B and Mr B while waiting for settlement of their claim. The compensation of £700 already paid recognises the poor service provided by Admiral, and impact on Mr B, based on the additional chasing he had to do, and the disappointment in not experiencing timely progression of his claim. In considering Admiral's actions overall, I've also considered the other part of compensation Mr B has received, in the form of the Disturbance Allowance payment. Overall I think Admiral's actions to put things right have been reasonable.

My final decision

For the reasons explained I won't be asking Admiral Insurance (Gibraltar) Limited to do anything more in settlement of Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 30 November 2023.

Neeta Karelia
Ombudsman