

The complaint

Ms C complains about how Admiral Insurance (Gibraltar) Limited has handled her claim for damage to her car when she called to claim on her car insurance policy.

What happened

Ms C's car was damaged by a third party's car whilst parked. She called Admiral to claim on her policy for the damage caused.

Rather than claiming on her motor insurance policy, Ms C agreed to an accident management company (AMC), who I'll refer to as E to repair her car on a credit hire and repair basis. E would carry out the repairs to her car and then claim the money back from the third party's insurer. E could also arrange a hire car for Ms C, which was also charged to the third party involved in the accident if needed.

As Ms C wasn't happy with how E was handling her claim she complained to Admiral. She said she'd not been called back as promised and said she kept being passed from one person to another. Admiral reviewed the complaint and upheld it. It said that there had been occasions when Admiral had agreed to call back but hadn't and also agreed that Ms C had spent too long on hold trying to discuss her claim. However, Admiral also explained that Ms C had been referred to E to handle her claim for the damage to her car and so she wasn't claiming on her policy with Admiral. It said this was because Ms C hadn't wanted to pay her excess which was £500. Admiral paid Ms C £100 compensation for not returning her calls as agreed.

Ms C didn't think this was fair and brought her complaint here. She said Admiral still hadn't repaired her car and she wasn't happy with how the claim was being handled.

Our investigator reviewed the complaint and recommended it be upheld in part. He found that Ms C had used an AMC rather than claiming on her policy with Admiral. However, when Admiral referred Ms C to E he didn't think Admiral gave Ms C clear information about her options which had caused her unnecessary distress and inconvenience. He therefore recommended Admiral pay an additional £150 compensation for the poor referral.

Ms C didn't agree. She said Admiral hadn't handled her claim properly and her car still hadn't been repaired.

As Ms C didn't agree the complaint has come to me to decide.

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.

Before I address the merits of this complaint, I think it's first important to set out the different parties involved and Admiral's responsibilities, to make clear what I can and cannot look at in

this decision.

When Ms C called Admiral to report the damage to her car, she was referred to E to handle the claim rather than claiming on her policy. E is an AMC and when it handled Ms C's claim it was done outside of her insurance policy with Admiral. Also, the actions of E aren't within the jurisdiction of this service in relation to the repairs to Ms C's car. This means in this decision I can only consider the actions of Admiral when it referred Ms C to E and when Ms C contacted Admiral to discuss her claim.

As Ms C's insurer, Admiral was obliged to provide Ms C with information that was clear, fair and not misleading, in line with its obligations under Principle 7 of the FCA Handbook: Communications with clients (see PRIN 2.1 The Principles) and ICOBS 2.2.2R (Clear, fair and not misleading rule). In the circumstances of this case, this means that when Ms C contacted Admiral to tell it about her 'non-fault' claim for damage to her car, Admiral ought to have provided her with clear information about her options, so she could decide how best to proceed with getting her car repaired.

I've listened to the recording of the call where Admiral referred Ms C to E for credit hire and repair ("the referral call"). While Admiral did explain to Ms C that the actions of E would be outside the remit of this service and explained that she wouldn't have to pay her excess. I'm not persuaded Admiral provided Ms C with enough information for her to make an informed choice. I say this as Admiral didn't explain that by using E, that Ms C would need to enter into a credit agreement with E for the repair of her car and the hire car. Or that there is a possibility she could be held liable for these costs if the third party doesn't pay them.

However, from listening to the calls with Admiral, Ms C was keen not to pay her excess. Therefore, even if Admiral had properly explained the referral to her I think it's likely she would still have chosen to use E, as she didn't want to pay anything as the claim wasn't her fault. I appreciate Ms C has accepted now she would have to pay her excess but from listening to the call at the time I think it's most likely she would still have chosen to use E. However, the poor referral meant Ms C hasn't been clear on who she is speaking with or what her options are. This has caused Ms C unnecessary distress and inconvenience as she thought Admiral was dealing with her claim.

I'm aware Admiral has already paid compensation for the poor handling of Ms C's other calls with it. In the circumstances I'm satisfied the £100 it has already paid is fair and reasonable. However, for the poor referral I'm satisfied Admiral caused additional unnecessary distress and inconvenience and should pay Ms C a further £150 compensation.

I've also considered Ms C's point about her car not being repaired. While I understand it's frustrating, as the repair to her car has been referred to E, she would need to raise the issues with E. I'm also aware that Ms C has said E has passed her back to Admiral to deal with her claim so, if E is unable to deal with Ms C's claim on a credit hire and repair basis, she would need to make the decision on whether to pay her excess and claim on her policy with Admiral or contact the third-party insurer to claim directly from them. It's for Ms C to make the choice on which course she takes to get her car repaired and not one I can advise on.

My final decision

For the reasons explained above, my final decision is that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to pay Ms C an additional £150 compensation for distress and inconvenience, this is on top of the compensation already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or

reject my decision before 23 November 2023.

Alex Newman
Ombudsman