

The complaint

Miss R complains that Admiral Insurance (Gibraltar) Limited mishandled her claim on her motor insurance policy.

What happened

The subject matter of the claim and the complaint was a car, first registered in 2018. For the year from early September 2022, Miss R had the car insured on a comprehensive policy with Admiral.

Unfortunately, on 6 December 2022, Miss R reported to Admiral that an accident had damaged the car. The car wasn't safe to drive.

On about 6 January 2023, Admiral arranged for a garage to collect the damaged car. The garage said the car was beyond economic repair.

By 10 January 2023, Miss R had made a complaint to Admiral, including about delay and poor communication.

On 13 January 2023, Miss R accepted Admiral's pre-accident valuation of the car.

By a final response dated late February 2023, Admiral upheld the complaint about communication and said it was sending Miss R a cheque for £125.00.

Miss R replied to that final response, adding some new points of complaint including delay in receipt of the settlement for the car. At the end of February 2023, Admiral said it was sending a cheque for a further £100.00. That made a total of £225.00.

Miss R brought her complaint to us in late March 2023.

our investigator's opinion

Our investigator recommended that the complaint should be upheld in part. He thought that £225.00 was fair compensation for the distress and inconvenience caused by Admiral's communication failures.

But he thought that Admiral's delays had meant that Miss R had been without a vehicle for about 14 days longer than she should have been. The investigator recommended that Admiral should pay Miss R a further £140.00.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Miss R and to Admiral on 1 September 2023. I summarise my findings:

I was minded to find that Admiral's payment of £225.00 was fair and reasonable compensation for the distress and inconvenience its shortcomings caused Miss R.

However, I was minded to find it fair and reasonable to direct Admiral – in addition – to pay Miss R interest at our usual rate on the settlement of her claim.

Subject to any further information from Miss R or from Admiral, my provisional decision was to uphold this complaint in part. I intended to direct Admiral Insurance (Gibraltar) Limited to pay Miss R:

1. simple interest at the yearly rate of 8% on the sum it paid her in settlement of her claim, for the period 6 January 2023 to 27 January 2023. If Admiral considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Miss R how much it's taken off. It should also give her a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Miss R accepted the provisional decision. Admiral hasn't responded to the provisional decision. I see no reason to change my view.

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.

From the policy terms, I find that Miss R would only have been entitled to a courtesy car if and when Admiral was repairing her car – and not if it was beyond economic repair.

The accident and the need to make a claim were bound to cause Miss R some distress and inconvenience – especially if her car was beyond economic repair. Miss R was going to have to contact Admiral, provide information and sometimes to wait for a response.

Nevertheless, she was entitled to a reasonable standard of service. And I've seen many examples of Admiral not responding promptly to the claim, not communicating with its repairer and not communicating with Miss R – even when it had promised to call her back.

Admiral's shortcomings of communication had an impact on Miss R. That included a feeling that she wasn't getting the service she was entitled to. Also, Miss R felt that she had to spend valuable time chasing Admiral or its garages to get on with things or to find out what was happening.

Miss R hasn't pursued her complaint that Admiral should make a refund of premium. And I wouldn't find it fair to direct Admiral, in addition to having paid a total loss claim, to make a refund of premium.

I can understand why Miss R felt that Admiral didn't really start dealing with her claim until after the first month. She hadn't got the use of her car or of a courtesy car.

From Miss R's response to the final response, I accept that she hadn't received the settlement cheque on 23 January 2023 and didn't receive cleared funds until about 27 January 2023. So - having made the claim in early December 2022 - she didn't receive settlement from Admiral until late January 2023, a period of nearly two months.

However, Miss R has said the following:

"I managed to arrange a short term loan of a family vehicle, which I was responsible for paying the insurance for, therefore paying double insurance. The vehicle in

question was not available to me for the full duration of this 2 month period – thus impacting on both work and social life.”

She has also said the following:

“I rely on a vehicle not only to get to work, but for my job (business cover for carrying/delivering equipment). I have had to change ... appointments in order to use a pool vehicle at work to ensure insurance covers me and equipment/vehicle.”

I haven't seen enough evidence of when Miss R agreed to buy a replacement vehicle. From what she has said, I can't conclude that Miss R was without the use of a vehicle for any identifiable number of days. In any event, as she wasn't entitled to a courtesy car, I don't find it fair and reasonable to direct Admiral to pay compensation for loss of use of a vehicle.

Rather, I find that - but for the shortcomings in its communication – Admiral could and should have got a settlement payment into Miss R's account within a month of the claim, that is by about 6 January 2023.

Putting things right

Overall I find that Admiral's payment of £225.00 was fair and reasonable compensation for the distress and inconvenience its shortcomings caused Miss R. However, I find it fair and reasonable to direct Admiral – in addition – to pay Miss R interest at our usual rate on the sum it paid her in settlement of her claim, for the period 6 January 2023 to 27 January 2023.

My final decision

For the reasons I've explained, my provisional decision is that I uphold this complaint in part. I direct Admiral Insurance (Gibraltar) Limited to pay Miss R:

1. simple interest at the yearly rate of 8% on the sum it paid her in settlement of her claim, for the period 6 January 2023 to 27 January 2023. If Admiral considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Miss R how much it's taken off. It should also give her a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 14 October 2023.

Christopher Gilbert

Ombudsman