

## **The complaint**

Mr and Mrs L are unhappy that Admiral Insurance (Gibraltar) Limited didn't provide a settlement for their storm damage claim because its contractors quoted repair costs below his policy excess.

Mr and Mrs L jointly held buildings and contents insurance, underwritten by Admiral. For ease of reading, I'll refer only to Mr L, and any reference to Admiral includes its agents.

## **What happened**

Mr L had buildings and contents insurance underwritten by Admiral. His policy excess was £300.

Mr L claimed under his policy when a storm damaged two glass balcony panels. Admiral said its cost to replace the glass using its own contractor was less than the policy excess, so there'd be no claim to settle. Mr L got two private quotes for the replacement glass – one from Admiral's contractor and one from another company. The quotes were broadly similar but significantly more than his policy excess.

Mr L complained. He understood that Admiral would receive discounts from its own contractor, but he didn't think the percentage discount was fair. Simply put, Mr L didn't believe the contractor's quote of less than the policy excess to Admiral could reasonably be correct when it was more than four times the policy excess on a private basis.

Admiral responded to Mr L's complaint, explaining that its limit of liability was whatever it would cost it to do the work. So it didn't think it had done anything wrong by declining cover because its contractor's quote was below the excess. Mr L brought his complaint to us.

Our investigator didn't think there was any evidence that Admiral had done anything wrong. She said Admiral handled the claim in line with the policy terms and conditions. Our investigator didn't uphold Mr L's complaint.

Mr L didn't agree. He set out example scenarios to explain why he thought Admiral's reliance on its contractor's quote was underhand and unfair. He asked for further consideration of the fairness of the discounts Admiral's contractors offered.

I issued a provisional decision in November 2023 explaining that I was intending to uphold Mr and Mrs L's complaint. Here's what I said:

## **provisional findings**

*I've provisionally decided to uphold Mr L's complaint for the following reasons:*

- Admiral said there was no claim to settle because the repair cost was less than the policy excess. The evidence suggested that Admiral incurred an attendance charge of £90. If that was in addition to its repair quote, the claim amount would've been more than the excess. Therefore, Admiral would've had a claim to settle.*
- There would still have been a significant difference in the repair cost quoted to Mr L by the private contractors and that available to Admiral using its contractor's discounted rate. However, given the difference, I think it's more likely than not that Mr L would've accepted Admiral's offer to complete the repairs. Therefore, the repair would've cost him £300 which was his policy excess.*

*In light of these two points, I don't think it was fair or reasonable for Admiral to tell Mr L there was no claim to settle.*

*I asked Admiral to consider these points, explaining that I thought it should settle Mr L's claim for his full costs, less his policy excess. I also thought £100 compensation for the inconvenience caused was reasonable.*

*Admiral agreed to the settlement.*

*However, Mr L didn't think the compensation was enough. He said it "values [his] time at £100", and he said Admiral "need to learn the lesson" that it should pay claims first time. Mr L asked for £300, on the understanding that he would donate £200 to charity.*

*I've looked at the timeline of events and I see that Admiral issued its response to Mr L's claim within two weeks. It responded to Mr L's complaint and directed him to this service within three weeks of his claim.*

*While I don't think Admiral reached a fair decision about Mr L's claim, I can't see that it caused any significant or avoidable delays in responding to him.*

## **Putting things right**

*My role is to decide whether Admiral treated Mr L fairly when he made his claim. I've said I don't think it did, so my role now is to decide how Admiral should put matters right. The expectation is that Admiral should put Mr L in the position he'd have been in had it handled his claim fairly.*

*If Admiral had accepted the claim, Mr L would've paid his policy excess and Admiral would either have done the work or cash settled. The claim should, therefore, have only cost Mr L £300. So, to put this right, Admiral should reimburse Mr L's repair cost, less the policy excess.*

*In respect of the £100 compensation, as I've said, I haven't identified any significant delays in the time it took Admiral to reach its decision. I understand that the time Mr L refers to is likely the overall time and inconvenience he experienced, and his compensation request includes a punitive element.*

*However, it's not within my remit to make an award which punishes Admiral.*

*I think £100 compensation is a reasonable sum, by way of apology, for Admiral's failure to consider the broader circumstances when it valued his claim below the excess, and for the*

*inconvenience Mr L experienced arranging and paying for the repairs himself. Based on the evidence available, I see no reason to increase the compensation.*

I said I was intending to uphold Mr and Mrs L's complaint and I was minded to require Admiral Insurance (Gibraltar) Limited to:

- reimburse Mr and Mrs L's full repair cost less the policy excess, and
- pay £100 compensation for the inconvenience caused.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Mr and Mrs L and Admiral accepted my provisional decision. Admiral also asked for confirmation of the invoice amount.

### **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.

For completeness, I looked again at the evidence. Mr L provided two invoices showing payments totalling just under £1,220. Once Admiral deducts the policy excess, its payment to Mr L will be just under £920. The £100 compensation is in addition to that.

As both parties accepted my provisional decision, it becomes my final decision and for the same reasons.

### **My final decision**

For the reasons I've explained above, and in my provisional decision, I uphold Mr and Mrs L's complaint and Admiral Insurance (Gibraltar) Limited must:

- reimburse Mr and Mrs L's full repair cost less the policy excess, and
- pay £100 compensation for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L and Mr L to accept or reject my decision before 28 December 2023.

Debra Vaughan  
**Ombudsman**