

The complaint

Mr and Mrs G are unhappy with the way Admiral Insurance (Gibraltar) Limited handled their claim after a pipe burst in their home.

The buildings and contents insurance policy was in joint names but, for ease of reading, I'll refer mainly to Mr G throughout my decision. Reference to Admiral includes actions taken by its agents.

What happened

Mr G claimed under the buildings and contents insurance policy after a pipe burst in the loft of his home and caused extensive water damage. Admiral accepted the claim and appointed contractors to handle the works.

But Mr G was unhappy with Admiral's handling of his claim for the following reasons:

- failure to progress his claim
- lack of communication
- delays
- time he spent on the phone chasing up action
- the additional distress and inconvenience caused

Over the course of his claim, Mr G complained more than once to Admiral about its service failures. Admiral acknowledged that it hadn't handled the claim as well as it should have. In recognition of its shortfalls, Admiral paid £200 compensation and a further £25 to cover the cost of the phone calls.

However, Mr G wasn't satisfied because he didn't think the compensation adequately reflected the impact Admiral's service shortfalls had on him and Mrs G. So he brought his complaint to our service.

Our investigator didn't think Admiral's compensation went far enough. In light of the avoidable inconvenience and distress evidenced, she upheld Mr and Mrs G's complaint. Our investigator recommended that Admiral pay a further £200 compensation.

Admiral accepted the proposal, but Mr and Mrs G didn't agree. They said the compensation didn't adequately reflect the hours they'd spent on calls, the stress caused, and the fact they were both policyholders, so they were both affected.

The complaint was passed 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.

Having done so, I've decided to uphold Mr and Mrs G's complaint, but I won't be asking

Admiral to pay any more than our investigator proposed. I'll explain why.

For clarity, the key issue of complaint is about the claim progression and how Admiral handled it. I won't be looking at the actual claim settlement, and the shortfalls Mr G complained about are not in dispute. Therefore, the outstanding matter is the level of compensation.

I've looked at the timeline of events to identify where there's evidence of avoidable delays and inconvenience.

Right at the start of the claim, there was a delay of five weeks because of poor communication between Admiral and its agents. I understand that would've been frustrating and inconvenient to Mr and Mrs G so early on in the claim process and after their home had suffered extensive damage.

Mr G chased progress with Admiral for the stripping out and drying works. While these inevitably take time, Mr G shouldn't have needed to chase progress. The notes show that poor communication, again, between Admiral and its agents meant action hadn't been taken.

From submitting his carpet quotes to Admiral arranging its own quotes, Mr G experienced a further delay of around three months. I've noted that part of the delay was because of some disagreement about the costs and Admiral sought a further quote. That's not unreasonable and this type of issue often causes some delay during a claim. However, the evidence shows that for most of that time there was a lack of meaningful progress on this part of the claim. I accept this would've been a further frustration which could easily have been avoided.

Mr G's call log shows that he spent more than nine hours on the phone to Admiral during the course of his claim. If Admiral had handled the claim as he could reasonably have expected, it's unlikely he would've felt the need to make at least some of those calls. I've taken into consideration the hours spent on the phone, but it's not appropriate to apply an hourly rate. Instead, I've considered the time in my overall assessment of the complaint.

There will inevitably be some delays during a claim where most of the house is affected. I'd expect to see a reasonable amount of time for asbestos testing, drying, stripping, choosing and agreeing the costs for replacement flooring, carpets and kitchen, and arranging fitting. These delays are unavoidable so I can't fairly hold Admiral responsible for the inconvenience the event itself, rather than its claim handling, caused. The claim took around five months, which I don't think is unreasonable.

However, as I've said, there is evidence that Admiral and its agents caused some unnecessary and avoidable delays. It's those delays which I've considered when deciding whether compensation is warranted.

Admiral paid £200 compensation plus £25 for call costs. Our investigator proposed a further £200 compensation. The compensation isn't for the full length of the claim because work was done during that time. It only addresses the avoidable delays and service shortfalls. I appreciate it may be difficult to identify how much inconvenience and delay the claim itself would've caused, but I'm satisfied that a total of £425 for the delays and shortfalls evidenced is fair and reasonable in the circumstances.

I know Mr G has looked at compensation guidance and he doesn't think it's enough for the impact on two policyholders. Admiral's responsibility was to provide cover in line with the policy for the home. The compensation is to reflect its failure to provide a reasonable standard of service in respect of one claim under one policy. It would be unfair to ask Admiral to pay more for two policyholders.

Overall, I'm satisfied that Admiral acknowledged its shortfalls and the avoidable delays, but I don't think its compensation payment was sufficient in the circumstances. Our investigator proposed a further £200, and I'm satisfied that's fair and in line with the type of award I'd make for complaints of a similar nature.

My final decision

For the reasons I've given, my final decision is that I uphold Mr and Mrs G's complaint and Admiral Insurance (Gibraltar) Limited must:

- pay Mr and Mrs G a further £200 compensation by way of apology for the upset, frustration and inconvenience caused during its handling of their claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 10 November 2023.

Debra Vaughan
Ombudsman