

The complaint

Mr K complains about Admiral Insurance (Gibraltar) Limited's ("Admiral") delay in dealing with his claim under his motor insurance policy.

Admiral are the insurers of Mr K's policy. Part of this complaint concerns the actions of an agent. As Admiral have accepted they are accountable for the actions of the agent, any reference to Admiral includes the actions of the agent.

What happened

Mr K says he noticed a warning light showing on the dashboard of his vehicle, so he took it to a local dealership belonging to the manufacturer of his vehicle – I'll refer to the manufacturer as company F. Mr K says they explained his catalytic converter had been stolen and they provided an estimate for repair. Mr K reported this to Admiral to make a claim on his policy. Mr K says he asked if his vehicle could be repaired by the local dealership who'd provided an estimate and Admiral explained as they aren't an approved repairer, they would treat this as a third-party repair so the estimate would need to be approved by their engineer. Mr K became concerned about Admiral's claims handling, so he complained about their delay in carrying out a vehicle assessment and authorising repairs, not being given proper instructions on information to be sent to Admiral, lack of communication and Admiral not keeping to timeframes they'd given him.

Admiral responded on 27 July 2023 and accepted there had been errors in their claims handling. For the parts of the complaint upheld they offered £250 compensation. The one part of the complaint they didn't uphold was Mr K's complaint about not being given a courtesy car. They explained Mr K had chosen to use a non-approved repairer so in line with the terms and conditions of Mr K's policy they wouldn't provide a courtesy car.

Our investigator looked into things for Mr K. He agreed Admiral had made errors and thought their offer of £250 was fair. He also thought Admiral hadn't acted unfairly in not providing Mr K with a courtesy car. Mr K disagreed so the matter has come to me for a decision.

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 Admiral's offer is a fair way to resolve matters. I understand Mr K will be disappointed by this but I'll explain why I have made this decision.

My role requires me to say how a complaint should be settled quickly and with minimal formality and so I'll focus on what I consider to be the crux of the complaint and the main areas of dispute. I can see all parts of the complaint have been upheld apart from Mr K's complaint about not being provided a courtesy car. So I've looked into this to determine whether Admiral have acted fairly.

My starting point is Mr K's motor insurance policy booklet. This sets out the terms and conditions and, under the heading 'Damage repair process' it sets out the steps Admiral will take if any damage to Mr K's vehicle is covered by the policy. It says, "*An authorised [company F] Repair Centre, our approved repairers or another company instructed by [insurance intermediary] will: as an additional benefit of your policy, give you a courtesy car while your vehicle is being repaired.*"

Mr K says the garage he approached, and which provided the estimate, is a company F repair centre so he meets the criteria set out in the terms and conditions. But, the terms and conditions go further to say, under a heading 'Important', "*If **we** instruct an authorised [company F] Repair Centre, an approved repairer or another company to provide you with a courtesy car, it will be covered under your insurance policy...A courtesy car will not be provided if your vehicle is: repaired by an unapproved repairer.*"

I can see from claim notes provided by Admiral that Mr K reported the incident to Admiral on 18 July 2023. The following day Mr K explains he has an estimate for repairs and Admiral ask him to send this in for their in-house engineer to review. In Mr K's testimony, he says it was during this call that Admiral explained his chosen garage was considered a third-party repairer. The notes show Mr K then called the next day to chase progress on approving the estimate from the non-approved repairer. A few days later Mr K chases again and the notes say Mr K queried whether the process of approval would be quicker if using an approved repairer and Admiral explained any approved repairer would still require their authorisation.

The claim notes show Mr K queried with Admiral whether he was entitled to a courtesy car and the call handler explains he would've been entitled to a courtesy car if using an approved repairer, but as that isn't the case here, they wouldn't provide one. The notes say Mr K questioned this and explained his car was with a company F approved repair centre, but the call handler explained his vehicle wasn't with one of their approved network of repairers. During a further call, the call handler explains they don't have a contract with the repair garage chosen by Mr K, and they aren't within Admiral's network of approved repairers.

I acknowledge Mr K's frustration at not receiving a courtesy car, but I don't think Admiral have acted unreasonably here in not providing one. I say this because the terms and conditions say a courtesy car won't be provided if the repairs are being carried out by an unapproved repairer. In this case, the repairer chosen by Mr K isn't an approved repairer – and given the discussions between Mr K and Admiral, I think it was made clear the garage being used by Mr K wasn't an approved repairer. It's not unusual or uncommon for insurers to have their own network of approved repairers, and generally they will have agreements in place. A courtesy car is usually provided through an agreement between the insurer and approved repairer. So a condition for a courtesy car to be provided would be for a policyholder to use an approved repairer – and in this case, that's what the terms and conditions say. Given that Mr K didn't use an approved repairer, I can't say Admiral have acted unfairly in not providing a courtesy car.

I can see Mr K believes the terms and conditions entitle him to a courtesy car when using an authorised company F repair centre – and not Admiral's approved repairer. I do acknowledge Mr K's point and I agree the terms and conditions do refer to an authorised company F repair centre being used for repairs.

The Insurance Conduct of Business Sourcebook ("ICOBS"), under ICOBS: 2.2.2 R requires information from a business to be clear, fair and not misleading. Where policy terms and conditions are open to differing, yet reasonable, interpretations, I would look favourably on the party that hasn't drafted the wording. In this case, reading through the terms and conditions, there are various references made to an authorised company F repair centre, but I think the section under the heading 'Important' does make it clear any authorised company

F, approved repairer or another company, will need to be instructed by Admiral in order to provide a courtesy car.

The next point I've considered is the compensation offered. I've looked at the service given to Mr K. The key facts about the parts of the complaint upheld by Admiral aren't in dispute. Admiral accept they got things wrong by delays in assessing Mr K's vehicle, giving an incorrect email address to send information and not giving proper instructions on information required, lack of communication and not being able to give Mr K a timeframe for when his vehicle will be assessed.

I think it's right that Admiral should compensate Mr K for the upset, frustration and inconvenience caused. To help decide what a fair and reasonable level of compensation should be, I've looked at the errors by Admiral and the impact it has had.

From the point Mr K reported the incident on 18 July to the date of the complaint response on 27 July, I can see Mr K was chasing regularly for updates and it's clear he was becoming increasingly upset and frustrated with the lack of progress. I can see there was further frustration and inconvenience to Mr K when he wasn't given correct details about submitting information to Admiral and lack of communication – and these contributed to the delays.

So, taking this all into account, there has been upset and frustration caused to Mr K together with inconvenience. While the impact I'm considering was only over a limited period, the information I've seen, such as the frequency and content of Mr K's calls to Admiral, show he was very upset and frustrated with Admiral's claims handling. So, taking into consideration the impact on Mr K, I think Admiral's offer of £250 compensation is fair and reasonable in the circumstances.

I can see Mr K asks why Admiral sent him a complaint response when the complaint hadn't been resolved. I do acknowledge this, but it's normal process for a business to respond to a complaint even if a claim is still ongoing. I acknowledge Mr K's concern that Admiral should've been focussing on getting his vehicle assessed and addressing his complaint in this way, but in their complaint response Admiral do say they have a backlog so they still aren't able to confirm when Mr K's vehicle will be assessed. In these circumstances, I don't think it was unreasonable for Admiral to still respond to the complaint. That said, and for this reason, I think it's important to clarify, my decision only focusses on events up to Admiral's complaint response dated 27 July 2023. I can see the claim was ongoing at the point the complaint was addressed and Mr K has raised further points. But any additional complaints beyond this point will need to be considered separately. If these have been raised with Admiral and they've responded, or if they've had eight weeks to respond, Mr K can ask our service to consider these. If any additional complaints haven't yet been raised with Admiral, then Mr K will need to do this first and then refer the complaint to our service after Admiral have been given an opportunity to address the complaint.

I can see Mr K raises a number of concerns where he feels Admiral haven't followed the outcomes set out under the Consumer Duty principle. The Consumer Duty applies to open products and services from 31 July 2023 – it doesn't apply to complaints about events that happened before this date.

The complaint here relates to events up to 27 July, so while strictly the Consumer Duty doesn't apply, I think it's important to mention the scope of the Consumer Duty follows the position in ICOBS. And I wish to reassure Mr K I have considered the position and his complaint in line with the relevant and existing rules under ICOBS.

I understand Mr K will be disappointed, and I do acknowledge why he's frustrated at not receiving a courtesy car. But I've carefully considered all information and, for the reasons

I've mentioned, I don't think Admiral have made an error in respect of this part of the complaint. I wish to reassure Mr K I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

My final decision

Admiral Insurance (Gibraltar) Limited have already made an offer to pay £250 compensation to settle the complaint, and I think this offer is fair in all the circumstances.

So my decision is that Admiral Insurance (Gibraltar) Limited should pay £250 to Mr K, if they haven't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 4 January 2024.

Paviter Dhaddy
Ombudsman