

## **The complaint**

Mr G complains about the way Admiral Insurance (Gibraltar) Limited dealt with his motor insurance claim.

## **What happened**

I'll summarise the main points about this dispute:

- Mr G got in touch with Admiral in December 2022 about a problem with his car.
- Admiral accepted the claim and agreed for its repairer, F, to carry out repairs in early January 2023. However, by late February F hadn't begun work and said it wouldn't be able to do so. Admiral said it couldn't find any other repairer on its network to carry out the work. So it invited Mr G to find quotes from local garages instead.
- Mr G complained about the way the claim had been handled. He was unhappy with the delays, lack of communication, and being asked to source his own repair. He noted he'd received calls despite telling Admiral a medical condition meant it was unsuitable to call him. He asked for compensation, his excess to be waived, and his premiums to be refunded. He also said he was paying costs associated with his car, such as tax and lease charges, despite not having his car available to use.
- Admiral gave its complaint response in March 2023. It accepted there had been failings in its service and paid Mr G £100 compensation. It acknowledged it would be frustrating for Mr G to have to find a local garage, but it said it didn't have any nearby on its network that it could turn to. It didn't agree to pay for any of Mr G's costs.
- Further complaint responses were given in April and May 2023. Admiral accepted there had been continued communication problems and paid a further £50 compensation. Otherwise, it said it taking steps to progress the claim.
- Our investigator thought the complaint should be upheld because she didn't think Admiral had gone far enough to put things right. For the way Admiral had handled the claim up to the May 2023 complaint response, she said it should pay an additional £150 compensation to make £300 in total. She also said it should cover some of the costs Mr G faced, during the period of delay caused by F.
- Admiral agreed to pay the extra compensation, but not Mr G's costs. It said he would always have been responsible for these costs, regardless of the claim or delays.
- Mr G didn't challenge or comment directly on our investigator's suggestion.

## **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.

- The scope of this complaint is how Admiral has handled the claim from the outset in December 2022 to the May 2023 complaint response. I'm aware the claim has continued after that, but those events won't be considered within this decision.
- It's accepted by all parties that Admiral's service has been below the expected standard. There have been avoidable delays and poor communication during the relevant time. Admiral has now agreed to pay an additional £150, making £300 compensation in total. I'm satisfied that's reasonable compensation for the service failings, in the circumstances.
- As our investigator has explained, Mr G is required under the terms of his policy to pay the premium and claim excess. These payments would have been due no matter how the claim was handled. So I won't be requiring Admiral to waive these costs.
- The key point in dispute is whether Admiral is responsible for anything further. Mr G has shown he makes monthly payments to lease and tax his car. He's continued to make these payments during the claim, despite not being able to use his car. Mr G says he was due to return his car to the lease company in January 2023 as he no longer needed it. So if the claim had progressed quicker, he would have stopped making these payments sooner.
- When a policyholder makes a claim for car damage, there will inevitably be a period of time during which they can't use it but must continue to pay any associated costs. I describe that as the reasonable amount of time required for an insurer to assess the claim and arrange repairs. I wouldn't usually expect an insurer to compensate a policyholder for being without their car during that reasonable period of time.
- However, where the policyholder is without their car for an unreasonable period of time, I would expect an insurer to compensate them for the impact of that. Here, that's Mr G making the payments for longer than he otherwise would have done.
- Admiral initially accepted the claim and instructed F promptly, so I don't think there was an unreasonable delay at that stage. But it's accepted there followed a delay of around two months as F took no action. By early March 2023, Admiral had told Mr G it couldn't carry out the repairs for him and he needed to source local quotes.
- The policy says, in summary, that Admiral can choose whether to repair the vehicle itself or pay the policyholder a reasonable amount to have the repairs carried out. So I don't think Admiral is obliged to carry out the repairs for Mr G and, when F couldn't do so, it was reasonable for Admiral to ask him to source local quotes. That means the time it took Mr G to provide quotes isn't something I can hold against Admiral.
- Mr G provided a quote in May, following which Admiral considered it and got in touch with the garage for more information. That doesn't seem unreasonable and is where the scope of this complaint ends.
- Overall, that means there was around two months of unreasonable delay that I think Admiral is responsible for. To keep things simple, I'm going to require Admiral to pay £400 to cover the approximate cost of two months of payments plus interest.

### **My final decision**

I uphold this complaint.

I require Admiral Insurance (Gibraltar) Limited to:

- Pay a total of £300 compensation for the service failings.
- Pay an additional £400 compensation for financial loss.

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

James Neville  
**Ombudsman**