

## **The complaint**

Mr T complains about Admiral Insurance (Gibraltar) Limited's ("Admiral") delay in dealing with his claim under his car insurance policy.

## **What happened**

Mr T says he was involved in an accident which caused damage to his car. He reported this to Admiral, and he says it took them a week to get him a courtesy car and many months before his car was taken into a garage for repairs. Mr T says he paid the excess for his car to be returned, but he drove it a short distance before it broke down. So, Mr T complained about the service he'd received. This included the delay and about the courtesy car not being suitable due to its size.

Admiral responded and accepted there had been delay in originally getting Mr T's car into a garage for repairs and then, following the car breaking down, further frustration to Mr T because his car had to be taken back into the garage. They agreed Mr T had contacted them on a number of occasions and also about errors made in the complaint handling process. Admiral acknowledged that Mr T just wants his car repaired and returned. They noted Mr T's complaint about the courtesy car not being suitable and explained they'd already paid him £200 compensation for this. For the complaints upheld, Admiral confirmed they'd sent a cheque for a further £250 compensation.

Our investigator looked into things for Mr T. She thought Admiral's offer of £450 was fair. Mr T 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 T 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. The key facts about the complaint aren't in dispute. Admiral accept they got things wrong by taking around four months to get Mr T's car into a garage for repairs, there being issues even after the car was returned to Mr T, the complaints handling and Mr T having to contact Admiral numerous times.

Admiral also accept there was an error involving the courtesy car. The only issue I have to decide is whether their offer of £450 is fair and reasonable in the circumstances.

I think it's right that Admiral should compensate Mr T 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.

I can see it was around four months before Mr T's car was taken into a garage for repairs. Admiral were making enquiries with their approved repairer, but it appears capacity issues meant it took longer to find a garage that could carry out the repairs. During this time, it's clear Mr T was very frustrated at how long things were taking as he'd chased a number of times to find out what was happening and raised complaints. Mr T's frustration was then compounded when, after his car was delivered back to him, it broke down – this led to it having to go back into a garage. This meant Mr T was still without his car.

I can see Mr T was provided with a courtesy car but there was an issue with the size of the car. I acknowledge the frustration this caused Mr T, but the policy terms and conditions do say the courtesy car isn't intended to be a like for like replacement and will typically be a small hatchback. So I think the £200 compensation Admiral have awarded for this is fair because the delay meant Mr T was left with the courtesy car for longer than he should've been.

I acknowledge Mr T says, while he was waiting for his car to go into a garage, he was paying his premium in monthly instalments. I understand Mr T is frustrated about having to pay these instalments for insurance on a car he couldn't use. But, the insurance covers a range of things for which Mr T was still receiving the benefits of the policy, even though he couldn't use his car. The repairs were being carried out under Mr T's policy and the courtesy car was also provided under this as well as cover while driving the courtesy car. So, even though Mr T wasn't able to drive his car for a number of months, I can't say the policy carried no value or benefit for him. I do accept though Mr T was clearly upset and frustrated about the delay while he was paying these instalments and not being able to use his car, and that's something I've factored into my assessment of a reasonable level of compensation.

When Mr T's car was returned to him, I can see he had to pay his excess of £400. I understand it was upsetting for Mr T when his car then broke down. The policy terms and conditions describe the excess as the amount Mr T must pay towards the claim. So, while I can't say it's unreasonable for Admiral to expect Mr T to pay for this, I've thought about the upset and frustration caused to Mr T when his car broke down after it had been returned.

I also note Mr T says he is paying finance on his car – which he has been without for several months now. I acknowledge Mr T's frustration, but I don't think it's fair to hold Admiral responsible for these payments. The finance has been arranged as a method of funding the purchase of the car so it's not a direct financial loss which has arisen as a consequence of Admiral's errors. However, and similar to the approach I've taken with the insurance payments Mr T has been making over the period of the delay, I have factored in the frustration to Mr T of having to make these payments over a period when Admiral's errors meant he was without his car for longer than he should've been.

So, taking this all into account, I think there has been upset, frustration and inconvenience caused to Mr T as a result of the delays and having to chase to find out what was happening. This was compounded when his car had to be returned to the garage. I do however have to take into account that the inconvenience of Mr T not having his own car was limited to an extent by him having a courtesy car. I acknowledge it wasn't the size of car Mr T wanted, and this impacted him and his family being able to spend time away. But the policy doesn't offer a car equivalent to Mr T's own car. So, taking into consideration the overall impact on Mr T, I think the offer of £450 compensation is fair and reasonable in the circumstances.

### **My final decision**

Admiral Insurance (Gibraltar) Limited has already made an offer to pay £450 compensation to Mr T 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 Mr T £450, if they haven't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 5 October 2023.

Paviter Dhaddy  
**Ombudsman**