

## **The complaint**

Mr M complains that Admiral Insurance (Gibraltar) Limited ('Admiral') charged him for recovering and storing his vehicle when he made a motor insurance claim.

## **What happened**

Mr M had a 'third party only' motor insurance policy with Admiral.

On 5 April 2023, Mr M's car was involved in an accident. When he called Admiral to inform it of the accident, it offered to recover the vehicle. Mr M accepted this offer because he was not sure whether the vehicle was roadworthy.

Mr M says he contacted Admiral the next day so he could get his vehicle repaired. He says Admiral did not have a record of recovering his vehicle and could not tell him where it had been taken. Mr M says it took Admiral 10 days to tell him where the car was, which meant Mr M could not retrieve it and have it repaired. Mr M says he then received an invoice for storage and recovery costs. Altogether, the invoice came to £1,075.50. Mr M said he didn't know he'd be liable for these costs and they wouldn't be covered by his policy.

Mr M then complained to Admiral. It said that the vehicle was recovered by its 'out of hours supplier'. It said if Mr M had made the out of office supplier aware that he only had third-party cover, then recovery of the vehicle would not have been arranged. It said it would not pay the recovery costs because such costs were not provided for by Mr M's policy. Admiral accepted that its call handlers had not been able to tell Mr M where his vehicle was located because its systems were not updated. Admiral offered to pay £100 to compensate Mr M for the mistakes it made.

Mr M then complained to this service. Our investigator thought the complaint should be upheld. He said that he didn't think Admiral should have offered to recover the vehicle in the first place if Mr M only had third-party cover. He also thought that if Admiral had been able to locate Mr M's vehicle when he called, the storage costs wouldn't have accrued. Our investigator said that a fair resolution to the complaint would be for Admiral to pay the storage costs and half of the recovery costs.

Mr M accepted our investigator's view. Admiral did not. It said Mr M had called its out of hours recovery service and so the level of Mr M's cover would not have been questioned at that time. It said the out of hours service would not have known what level of cover Mr M had. Admiral said it was up to Mr M to know what he was covered for. In any event, Admiral said there was a recorded message when Mr M called the out of hours service saying there may be a charge if it was later found that its services fell outside the terms and conditions of his policy.

As Admiral did not accept our investigator's view, the matter has been passed to me for an ombudsman's 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.

I've upheld Mr M's complaint. I'll explain why.

Mr M's insurance cover was third-party only. In considering the terms and conditions, I can see that Mr M was only covered for third-party claims that arose from the use of his vehicle. In other words, Mr M's insurance only covered him for damage that was caused to other cars. If his car was damaged in an accident, he'd have to sort out any repairs himself.

Looking at the policy document, I can see it says that Admiral would only recover a vehicle if the policyholder had fully comprehensive cover. As Mr M's cover was third-party only, Admiral wasn't obliged to recover Mr M's car from the accident site. It looks as though it acted within its terms and conditions when it refused to pay for the recovery and storage of Mr M's vehicle.

But in the particular circumstances of this case, I don't think sticking to the terms and conditions leads to a fair and reasonable outcome here.

In considering the issue of the recovery costs, Admiral appears to accept that its out of hours recovery agent recovered the vehicle when it shouldn't have been recovered. It says Mr M should have known his cover was third-party only. However, I don't think it is fair or realistic for Admiral to expect Mr M to be fully conversant with the intricate details of his policy, particularly when he had just been involved in an accident.

Mr M called Admiral and was then transferred to a third-party. It is not clear whether he spoke to anyone from Admiral before his call was transferred; or that he knew he was speaking to a third-party recovery service. But I don't think he would have reasonably expected to be offered recovery if that service wasn't covered under his policy. If recovery is offered to a policyholder and there is a risk that service may not be covered on their policy, I think it would have been fair for that to have been made clear to Mr M. I don't think a recorded message was enough in this case.

So, with all of that in mind, I think it's fair to say that neither Mr M nor Admiral's agents were clear as to what his policy covered when he called just after the accident. So, I agree with our investigator that it would be fair for Mr M and Admiral to share the recovery costs between them.

Looking at the storage costs, I understand Mr M was trying to locate his vehicle and that Admiral could not tell him where it was. This appears to have been because its electronic systems were not updated when they should have been. I further understand that Mr M was in regular contact with Admiral trying to find out where his car had been taken. In my view, if Admiral had been able to locate Mr M's car and he'd been made aware that he only had third-party cover, he could have arranged for the car to be collected straightaway and he wouldn't have incurred the storage costs.

I don't think Mr M could have retrieved his car to reduce the storage charges any earlier because Admiral couldn't say where it was. There was no way for him to avoid the storage costs. On that basis, I don't think it would be fair for Mr M to pay for the storage. I agree with our investigator that it is fair for Admiral to cover these charges.

I can see how all of this would have caused Mr M some distress and inconvenience, not least when Admiral could not tell him where his car was. With that in mind, I think the £100 Admiral offered to pay Mr M is fair compensation here.

Putting all of this together then, I uphold the complaint to the same extent as suggested by our investigator and require Admiral to take action to put things right for Mr M.

### **Putting things right**

I require Admiral to:

- Pay 50% of the recovery costs (including VAT).
- Pay 100% of the storage costs (including VAT).

- If Mr M has already settled the invoice, Admiral must pay simple interest on the amount it owes from the date Mr M paid those costs until the date he gets that money back. The rate of interest is 8% per year.
- If it has not done so already, pay £100 to Mr M for the distress and inconvenience identified above.

**My final decision**

I uphold this complaint and require Admiral Insurance (Gibraltar) Limited to put things right as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 January 2024.

Nicola Bowes  
**Ombudsman**