

The complaint

Mr M says Admiral Insurance (Gibraltar) Limited provided poor service when he made a claim on his motor insurance policy. He also says the repairs to his car took far too long and that some of them weren't needed.

What happened

Mr M told Admiral that his car stopped working on 4 January 2023, and a warning light appeared. Initially, the car was taken to a dealership garage. But after it confirmed that the problem wasn't a warranty issue it was taken to Admiral's approved repairer ('garage A') on 8 February 2023. Garage A said the car had been damaged underneath by an object. It thought the battery needed to be replaced, but the new one took a few months to arrive. As that didn't fix the problem, Mr M thought garage A's initial diagnosis was wrong. And he thought garage A shouldn't have replaced the car's alloy wheels.

Mr M contacted us in June 2023, when the car had been with garage A for four months. He said there was no completion date for the repairs and that the long repair time had led to extra costs for him. He also said he'd been given an inadequate courtesy car and that the great stress and financial concerns arising from the repair process had had a huge impact on him. He said Admiral had told him garage A was doing all it could to complete the repairs and that it was in constant contact with the dealership garage.

One of our investigators reviewed Mr M's complaint. He noted that Mr M thought garage A had taken unnecessary actions to inflate the claim's costs - but the investigator thought there was no evidence it had acted inappropriately. He pointed out that garage A had liaised with the dealership garage about the repairs. And he thought that although replacing the battery didn't solve the problem, it didn't mean it shouldn't have been replaced. He said Mr M would need technical evidence from another engineer in order to challenge these issues.

The investigator noted that Admiral had supplied a small courtesy car (in line with the policy's terms and conditions, so it had fulfilled its obligation under the policy. He also noted that Mr M wasn't happy about having to make finance payments on the car, despite having no access to it. But he said the payments went towards the sum Mr M had borrowed to buy the car, and Admiral wasn't responsible for that. He also said Admiral wasn't liable for any loss in the car's value. And he pointed out that any problems that arose after Admiral issued its final response letter in June 2023 would have to be raised as part of a new complaint.

In reply, Mr M repeated that the repairs were prolonged and potentially unnecessary. He said it pointed to inefficiency or to a lack of skills on garage A's part. He also said the high cost of the repairs would inflate his premiums - and that there was potentially fraudulent practice by Admiral. The investigator said there was nothing to show incompetence on garage A's part - and that Admiral had no reason to agree to inflated costs. He said any concerns about Admiral's general practices were for the Financial Conduct Authority ('FCA') to review. He also said if Mr M got an independent opinion about the repairs he could put it to Admiral for review. Mr M said he'd do that, but we've heard nothing further from him.

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.

There's extensive correspondence on the file, and although I've read it all, I won't address all of it. Instead, I'll concentrate on what I think are the main issues.

Replacement car

As Mr M's car was a high-value, luxury model, I can see why it would have been very stressful for him to have to drive a basic courtesy car for several months whilst his car was being repaired. I appreciate his understandable frustration with the situation, but the policy only allows for a small courtesy car, so I think Admiral met its contractual obligation to Mr M.

Expenses

As Mr M was provided with a car, I don't think Admiral is liable for any other transport expenses he incurred (such as the cost of petrol for the courtesy car).

In terms of the finance payments Mr M made on the car whilst it was off the road, it's inevitable if a consumer's car needs to be repaired that the consumer won't have access to it for a time. Mr M's car's finance payments had to continue (under his arrangement with the finance provider) and they continued to reduce the debt he owed. I don't think Admiral can be held responsible for reimbursing such payments.

I've seen nothing to suggest that Admiral or garage A caused any reduction in the car's value. But the policy says Admiral won't pay for any loss in a vehicle's market value as a result of it being damaged anyway, which is in line with standard industry practice.

Time taken to repair the car

The car didn't arrive at garage A until 8 February 2023, when a full assessment of it had to be done. The full repairs were approved by the end of February 2023, so I don't think there's evidence of undue delay by garage A or Admiral. It seems the wait for a new battery was around four months, but I don't think Admiral or garage A can be blamed for that. Parts in general take longer than previously to arrive (post-pandemic) and delays with parts are usually outside a garage's control.

The file notes show that by the start of June 2023 the new battery had arrived, but garage A found there was a problem with it (or with a surrounding component). The notes show that garage A raised the issue with the dealership garage and followed its process to work around the problem. Garage A told Admiral's engineer at the time that it had carried out many checks, in line with garage A's advice. I don't think there's evidence of undue delay.

Mr M believes garage A misdiagnosed the problem with the battery, but I don't think he's shown that was the case. And I think the fact that it liaised with the dealership garage about the repairs (including the problems with the battery) makes that very unlikely. In my opinion, there's no evidence of avoidable delay in the repair process - nor is there evidence of incompetence or a lack of skills by garage A, as Mr M has suggested.

Unnecessary repairs

It isn't in an insurer's interests to pay for repairs that aren't necessary, as the insurer has to settle the bills. I've seen numerous instances of insurers' engineers challenging the costs

submitted to them in garages' estimates. And the costs in this case were far greater than average, so I think it's very likely they were fully scrutinised. I know Mr M is concerned that the car's alloy wheels were replaced. But garage A thought they were damaged. It sent photos of them to Admiral's engineer. I think it's far more likely than not that he would have queried their replacement (at around £3,000 each) if he thought it wasn't necessary.

Mr M thinks as the cost of parts for his car was so high, the overall repair cost will impact on his future premiums. Premiums aren't generally based on the cost of claims. But the *number* of claims made - and whether they are '*fault*' claims, where the insurer can't recoup its costs - are two of the numerous factors relied on when premiums are calculated.

Inappropriate conduct

Mr M has suggested that if garage A (supported by Admiral) deliberately inflated the time taken on repairs, and the cost of the repairs, that was potentially fraudulent. I haven't seen any evidence of inappropriate behaviour by Admiral or the garage whilst reviewing this complaint. But if Mr M thinks there was potentially fraudulent conduct of any kind by Admiral, he can ask the FCA to look into it, in its role as the industry regulator.

In summary

In my opinion, there's no evidence that Admiral or garage A acted unreasonably in dealing with Mr M's claim and the repairs to his car. Mr M hasn't produced any independent evidence in support of his views, and it's for him to show that Admiral and garage A were at fault. I think that as a result of the incident in January 2023 and the need for repairs Mr M faced a great deal of frustration and inconvenience, and I understand why he's unhappy with the situation. But I don't think he's shown that Admiral and garage A are responsible for undue delay or other unreasonable behaviour. So I can't uphold his complaint.

It's open to Mr M to complain to Admiral about any unreasonable behaviour on its part or that of garage A that took place after June 2023. If he isn't satisfied with its response, we can review that complaint in due course.

My final decision

My final decision is that I don't uphold this complaint. Under the Financial Ombudsman Service's rules, I must ask Mr M to accept or reject my decision before 14 March 2024.

Susan Ewins

Ombudsman