

The complaint

Mr K complains that Admiral Insurance (Gibraltar) Limited (Admiral) has provided poor service at the renewal of his home insurance policy.

What happened

Mr K had a home insurance policy with Admiral that was due to expire on 1 June 2021. He received a renewal notice from Admiral saying that it was due to renew at a cost of £146.72.

Shortly before renewal, Mr K contacted Admiral to make a claim under his home policy.

Mr K rang Admiral on 28 May to renew his policy. He provided his payment details to a call handler who then told him that his policy would renew at the price of £164.54. As this wasn't the price Mr K was expecting, he complained to the call handler. Admiral discounted the renewal price to £154 but Mr K didn't agree with it. He said he felt he had a valid renewal notice and should have been allowed to renew at that price.

Admiral told Mr K that the price difference was due to the claim that he had made. Mr K said he didn't agree with the changed price and would have to think about whether he wanted to renew the policy or not, so the call handler said they would remove Mr K's payment details and his policy wouldn't go ahead at renewal.

Mr K called Admiral again on 29 May to renew his policy. Admiral agreed to change his renewal price to £146.72 and Mr K agreed with this. But Admiral wasn't able to take payment due to systems issues, so the call handler agreed to call Mr K back on 1 June to take his payment. The call handler also told Mr K that his cover would continue.

Admiral didn't call Mr K when it said it would, so Mr K rang them. As the expiry date of the policy had now passed, Mr K was told that his policy had expired and couldn't be renewed at the agreed price. Admiral said that the call handler hadn't left any notes about calling him back or that his policy would be renewing, even though Admiral's call handler had said this to Mr K during the call.

Mr K was unhappy so he complained to Admiral who said it agreed that it had provided Mr K with poor service and awarded him £50 for his trouble and upset.

Mr K remained unhappy so he brought his complaint to this service. He would like Admiral to honour the original renewal price. Our investigator agreed that Admiral should have done more to handle Mr K's renewal. She said Admiral should honour the renewal price of £146.72, but she agreed that Admiral's payment of £50 to Mr K for his trouble and upset was in line what she would expect, so she didn't ask Admiral to pay any more.

Admiral agreed with our investigator's view but Mr K did not. He asked for his complaint to be reviewed by an ombudsman, so it has been passed to me to make a final 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 to uphold it and I'll explain why.

Mr K has sent this service a considerable amount of information and I want to assure him that I have read it all, even if I have not referred to it here. I have focused on what I feel is the crux of his complaint, the handling of his renewal.

In one of the calls on 29 May, Admiral's call handler told Mr K that his cover would continue and that Mr K would receive a call to arrange payment at 12 o'clock on 1 June. Admiral confirmed that it didn't call Mr K as arranged, so I think it's clearly Admiral's responsibility that the policy did not renew. Mr K then found out his policy had lapsed when he received an email telling him, causing him to call Admiral to try to renew it.

Mr K has told this service in detail of his distress at not being covered by any home insurance. An important part of the insurance marketplace is that consumers are free to choose whether they are willing to pay a premium, obtain insurance elsewhere or not take the insurance at all. So it's important that I say that although Admiral let Mr K's policy lapse, he was free to choose another provider or buy another new policy from Admiral if he wished.

I've listened to the calls between Mr K and Admiral and I've heard Admiral's call handler explain to Mr K that his home policy had already expired, and the options Mr K had. In that call, Mr K makes the decision to pass the entire matter to Admiral's complaints team.

In Admiral's final response to Mr K's complaint, I can't see any evidence that Admiral tried to help him understand his options once his policy had lapsed and I think it should have helped him more by explaining how he could have taken out a new policy or bought cover elsewhere.

It's clear to me that Mr K has been let down by Admiral's service at renewal and that I think they should have done more to help him in the complaint process. So I think it's fair to ask Admiral to pay Mr K £50 compensation for his distress and inconvenience, in addition to the £50 it has already paid him. I know Mr K has asked for a larger amount of compensation but the £100 total I have decided is in line with what this service would recommend.

In correspondence since our investigator issued her view, Mr K has also asked for compensation for the period he hasn't been covered by home insurance, but Admiral have declined. It says it will offer Mr K a new policy at the agreed rate of £146.72 and I think this offer is fair.

Mr K hasn't said that he's had any losses since 1 June that would have been covered by a home insurance policy, so on balance I think Admiral should ask Mr K if he wants to take out a new policy starting straight away at the previously agreed price. Mr K can then choose whether he wants that policy, or not.

Putting things right

In order to put things right, Admiral should:

- Pay Mr K an additional £50 for his distress and inconvenience, making a total of £100.
- Offer Mr K a new home insurance policy at the previously agreed premium of £146.72.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint. I direct Admiral Insurance (Gibraltar) Limited to take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 17 March 2022.

Richard Sowden
Ombudsman