

## The complaint

Mr A complains that Admiral Insurance Company Limited unfairly cancelled his motor insurance policy twice. He also doesn't agree with the amount he's been charged for the policies.

## What happened

Mr A took out a policy with Admiral in September 2018. Not long after the policy started Admiral asked for some documentation to verify his policy. Mr A provided the information asked for, but his policy was then incorrectly cancelled.

Admiral apologised for this and reinstated Mr A's policy in December 2018. When Mr A's policy was incorrectly cancelled, the refund of premium and cancellation fee were then applied to Mr A's reinstated policy. However, there were some payment issues with the reinstated policy, and it was then cancelled again in February 2019. Because of this Mr A decided to buy a new policy elsewhere and complained to Admiral. He said Admiral shouldn't have incorrectly cancelled his policy twice and that Admiral hasn't been accurate when stating the amount he's paid. He also said he's incurred additional costs with taxis while his policy was cancelled, as he couldn't afford to get insurance until couple of weeks later.

Admiral looked into the complaint and apologised for the first policy cancelling incorrectly. It said it had offered a letter of indemnity to Mr A for the time he was driving without insurance and had written off around £380 to compensate him for the errors. Admiral also offered £30 distress and inconvenience but Mr A asked Admiral to pay it to a charity. Mr A didn't think Admiral had done enough and brought his complaint here.

I issued a provisional decision on this complaint on 28 January 2022 where I said:

*"It's not in dispute that the first cancellation was done in error, so I won't revisit that here. Admiral said the second cancellation occurred because Mr A missed two payments for his policy and therefore it could cancel his policy."*

*I can see Admiral said there were some issues with collecting payments from Mr A. However, I can also see that Admiral has made some errors with the payments Mr A made, such as giving inconsistent figures for what he's paid. Also, considering his policy was cancelled incorrectly it would appear the payments were only messed up because Admiral incorrectly cancelled the first policy caus[ing] Mr A's regular payments to not be taken when they should. I'm therefore not persuaded the second cancellation is fair and reasonable either.*

*I've also looked at what Mr A has paid and what he should have paid to see if Admiral has treated him fairly. When asked what Mr A had paid and what he should have been charged Admiral confirmed that Mr A's total premium for his motor and home insurance policy was £4,092.52. It said for the time Mr A had his motor and home insurance policy, the total charge for the time on risk is £766.73.*

*Admiral said Mr A made three payments for his home and motor policies. One on 26 September 2018 for £349.44, a second on 24 November 2018 for £308.23 and a third on 16 February 2019 for £523.38. It would therefore appear Mr A has paid Admiral a total of £1,181.05. Admiral has shown it's refunded Mr A £125.04 which means Mr A has paid £1,056.01 to Admiral. However, when calculating what Mr A owes, Admiral said he's only paid £415.79. It's unclear where this figure has come from and considering Admiral has provided dates for the three payments, I'm more persuaded those are correct.*

*Considering Admiral said the total charge for his time on cover is £766.73 and Mr A has paid £1,056.01. It would appear from Admiral's figures that he's over paid by £289.28. Therefore, Admiral should refund this amount to him. Furthermore, I note that Admiral said it had written off £255, but in this calculation, it had used the lower payment total of £415.79. So, I'm not persuaded Mr A has actually received that compensation. I'm satisfied £255 is a fair and reasonable amount to compensate Mr A for Admiral's errors. Admiral therefore also needs to pay Mr A £255 compensation for the unnecessary distress and inconvenience its caused.*

*I've considered Mr A's points about having to get taxis, however I've not seen enough to persuade me he wasn't able to get another policy for a couple of weeks because of the cost. Particularly when his replacement policy was cheaper than his one with Admiral. It follows therefore that I'm not going to tell Admiral to cover his taxi costs."*

Mr A responded and said he hadn't got other insurance quickly as he'd been advised that a policy can cost more when buying it close to the date the cover starts. And it's for this reason he had to get taxis. He also said he had told his current insurer about Admiral cancelling his policy as he'd been required to declare any cancelled policies.

Admiral disagreed and said the previous figures given were just for the time it reinstated Mr A's policy. Admiral also provided a break down of figures to evidence what Mr A's policy cost. I asked our investigator to respond and clarify the figures, as it wasn't clear exactly what they were showing. I asked Admiral to provide a total cost for the policies it had provided cover for, and the total amount Mr A had paid for these policies. Admiral responded and provided some explanation as to what the figures were showing but didn't provide a total cost for the policies it provided. I asked our investigator to ask Admiral again for the total charge for Mr A's policies as this still hadn't been provided.

I also asked our investigator to clarify that Admiral would also need to provide a letter to Mr A confirming that both policies were cancelled due to its error and therefore it would also need to remove the cancellation records from internal and external databases, as I hadn't been persuaded the second cancellation was fair either.

Admiral didn't provide the information asked for by the date requested.

### **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 considered Mr A's response to my provisional decision and I'm not persuaded to change my decision. I say this because it was his choice to wait to obtain a cheaper quote. I've also not been provided with anything to show Mr A couldn't get insurance for a couple of weeks because of the price. I'm therefore not going to tell Admiral to do any more.

I've also considered Admiral's response. While Admiral has provided some other figures and said its previous calculations were wrong. It still hasn't been able to confirm the total amount Mr A should have paid for his policies. I therefore think it produces a fair and reasonable

outcome in this complaint to use the figures given in my provisional decision.

### **My final decision**

For the reasons explained above, and in my provisional decision, my final decision is that I uphold this complaint. I require Admiral Insurance Company Limited to:

- Pay Mr A £289.28 to cover what he overpaid for his policy
- Pay Mr A £255 for distress and inconvenience
- Provide Mr A with a letter of indemnity for the periods he was driving without insurance, if not already provided
- Remove any record of both cancellations from internal and external databases
- Provide Mr A with a letter to say both cancellations weren't his fault

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 28 March 2022.

Alex Newman  
**Ombudsman**