

The complaint

Mr R on behalf of the estate of Ms R complains that EUI Limited (trading as Admiral)(EUI) refused to cancel Ms R's multi-car insurance policy and refund the policy premium for the unexpired term to her estate after she passed away.

The estate of Ms R is represented by her executor, Mr R, whom I'll also refer to in this decision.

What happened

Ms R had a multi-car insurance policy taken out through EUI, which renewed automatically in April 2021. It covered hers and her partner's two cars (I'll call Ms R's partner Mr M). The policy was taken out by Ms R, she paid the premium using her credit card and she was named as the administrator on the policy. And Mr M was a named driver.

Ms R passed away on 16 September 2021 and Mr R became the executor of her estate. When Mr R, in his capacity as Ms R's executor, called EUI to notify it of her passing, EUI initially told him it couldn't discuss the policy with him. EUI said this was because, following a phone call a few weeks earlier with Mr M, Ms R's name had been removed from the policy (so the policy was in Mr M's name only) and Mr M had been substituted as the policy administrator. It also emerged EUI had sent Mr M a premium refund of £166.60 following the removal of Ms R's name from the policy.

Mr R, on behalf of the estate of Ms R, complained to EUI that:

- EUI had refused to speak to him, as executor of Ms R's estate, when he called up to notify it of Ms R's passing.
- EUI had incorrectly issued the refund of £166.60 to Mr M, when it was due to Ms R's estate.
- EUI had refused to carry out Mr R's instructions as executor of Ms R's estate to cancel the policy and refund Ms R's estate the premium for the unexpired term of the policy from the date of Ms R's passing.

EUI upheld the complaint in part. It said Mr R should've been passed to another team when he called to notify EUI of Ms R's passing and it apologised to him for the distress and inconvenience it had caused him in failing to do so. EUI also said it shouldn't have issued the refund to Mr M, since he wasn't the executor of Ms R's estate. EUI has since made a payment of £166.60 to Ms R's estate in recognition of its mistake.

But while EUI acknowledged Ms R had paid for the policy, it said its procedure in these cases was only to cancel the cover for the portion of the insurance that was no longer required. It said it couldn't cancel the cover that was now in Mr M's name and refund Ms R's estate the full unexpired premium because Mr M was the remaining policyholder and had become the policy administrator – so it would need his consent to do so. So EUI didn't uphold this part of the complaint.

Unhappy with this, Mr R on behalf of the estate of Ms R, brought the complaint to us. The

investigator who looked at it didn't think EUI needed to do anything more. She thought EUI was entitled to discuss the policy with Mr M and didn't make a mistake in removing Ms R's name from the policy when it was notified of her passing.

Mr R, on behalf of the estate of Ms R, disagreed. Among other things, he said EUI should've treated the policy as void from the date of Ms R's death, since she ceased to be capable of being a performing party to a contract. So the complaint came to me to decide.

In my provisional decision of 23 May 2022, I explained why I intended to uphold Mr R's complaint on behalf of the estate of Ms R. Both Mr R and EUI agree with my provisional decision, which has now come to me for 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, and for the reasons I gave in my provisional decision of 23 May 2022, I've decided to uphold Mr R's complaint on behalf of the estate of Ms R.

In that decision, I said:

"The contract of insurance EUI had was with Ms R only, not Ms R and Mr M. I say this because Ms R paid for the policy and was named as the policy administrator. I think this means that, on Ms R's passing, Ms R's policy with EUI came to an end. And it follows that Mr R (in his capacity as the executor of her will) effectively stepped into Ms R's shoes and had the authority to notify EUI that Ms R's estate wished to cancel the policy.

I should also say that, if I've read it correctly, I think this is also what Ms R's policy said. In a section headed "Instructions", a table set out the permissions various people who might be involved in the administration of a policy had. For someone who was an executor, it said he or she had permission to "Cancel All". I think this means that, under the terms and conditions of the policy Mr R, as Ms R's executor, could cancel the whole policy.

Ms R's policy also said EUI would deal with her spouse, partner, parent or any other person named on her certificate of motor insurance. From what Mr R says, Mr M was Ms R's partner and he was also named as a driver on the certificate of insurance. EUI says this means, under the terms and conditions of the policy, it was entitled to take instructions from Mr M. But in the circumstances of this complaint, I don't think it's fair and reasonable of EUI to rely on this provision. Ms R (the other party to its contract) had passed away and EUI didn't know (and seemingly didn't seek to verify) if Mr M had authority to act on behalf of Ms R's estate. Because of this, I don't think EUI should've allowed Mr M to amend the policy by having Ms R's name removed from it (and EUI shouldn't, as it accepts, have refunded him the premium of £166.60).

What follows from this is that I think the fair and reasonable outcome in this complaint is for EUI to refund the estate of Ms R the premium she paid for the policy (which was £801.92) from 16 September 2021 (when Ms R passed away) until 6 April 2022 (when the policy would've expired had she not passed away). EUI Limited can deduct £166.60 from the refund, since it's already paid this amount to the estate of Ms R.

It's clear EUI's handling of this matter has caused Mr R distress and inconvenience at what would already have been a very difficult time for him. But as our investigator has already said in her view on the complaint, our rules don't allow us to compensate Mr R for the personal impact the experience has had on him when representing Ms R's estate.

Mr R has asked if we can investigate whether EUI breached data protection laws in dealing with Mr M. As our investigator has said in her view, this isn't something our rules allow us to look at. Mr R would need to contact the Information Commissioner's Office about it.

Mr R has also asked if we could impose a fine on EUI for misconduct. Again, as our investigator has said in her view, our role isn't to fine businesses for misconduct – this is something only the regulator, the Financial Conduct Authority, can do."

As I've already said, both Mr R and EUI have agreed with my provisional decision. EUI has, though, questioned my decision that it should pay what it calls "*the full refund*". It says:

"I presume Mr M ...was driving during this time so I don't feel it fair for [EUI] to provide a full refund. Mr M was a policyholder of one of the vehicles on the policy and [EUI] have not been informed the vehicles weren't being driven."

But when EUI was told by Mr M that Ms R had passed away, I think it should have cancelled Ms R's policy at that point and it could then have set up a new one at Mr M's request. EUI could've collected the premiums for the period from Ms R's passing to Mr M's notification then. So EUI's comments don't change my provisional findings and conclusions on this complaint, which now form part of this final decision.

My final decision

For the reasons I gave in my provisional decision of 23 May 2022, I uphold Mr R's complaint on behalf of the estate of Ms R and direct EUI Limited (trading as Admiral) to pay the estate of Ms R:

- A refund on the premium Ms R paid for the policy (which was £801.92) for the period from 16 September 2021 to 6 April 2022. EUI Limited can deduct £166.60 from the refund amount, since this has already been paid to the estate of Ms R.
- Interest at the rate of 8% simple per year on the refund amount from 16 September 2021 to the date of payment.*

If EUI Limited (trading as Admiral) considers it's required by HM Revenue & Customs to deduct income tax from that interest, I direct it should tell Mr R how much it's taken off. It should also give Mr R a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs, if appropriate, on behalf of Ms R's estate.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Ms R to accept or reject my decision before 17 August 2022.

Jane Gallacher
Ombudsman