

The complaint

Mr R complains that Admiral Insurance (Gibraltar) Limited (Admiral) unfairly increased his premium for his commercial multi-car insurance policy mid-term and that its failure to recover one of his cars following a claim led to it being stolen.

What happened

Mr R had a multi-car commercial car insurance policy with Admiral, which he renewed in June 2022.

In August 2022, Admiral's validation team found two claims on another multi-car insurance policy Mr R had held with Admiral, which he hadn't disclosed at renewal. So Admiral wrote to Mr R saying his premium would be increased by £895.52 (which included a £30 administration charge)(it also gave Mr R the choice of cancelling his policy). Mr R paid the increased premium. Admiral subsequently refunded Mr R its £30 administration charge.

Separately, later in 2022, Mr B made a claim on his policy when the wheels were stolen from one of his insured cars. But the whole car was then stolen before Admiral's salvage agent collected it.

Mr R complained to Admiral both about the premium increase and the theft of his car. Admiral said it had followed its correct process in relation to both issues, although it paid Mr R £50 as a gesture of goodwill for its delay in responding to his complaint.

Unhappy with this outcome, Mr R complained to us. The investigator who looked at Mr R's complaint said he didn't think it was fair of Admiral to charge Mr R an increased premium mid-way through his policy term, since it should've been aware of the claims on the other Admiral policy. He said Admiral should refund Mr R the premium increase. But our investigator didn't think Admiral's delay in collecting Mr R's car after the wheels had been stolen led to the whole car itself being stolen.

Admiral doesn't agree it should refund Mr R the premium increase. Mr R said he'd accept our investigator's findings about the theft of the car but only if Admiral agreed to refund the premium increase.

So Mr R's complaint has now come to me to decide.

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 one part of Mr R's complaint but not the other part.

Looking first at the issue of the premium increase, the undisclosed claims Admiral's validations team found were on another car insurance policy Mr R had with Admiral. As such, I think Admiral should've been aware of them. In these circumstances, I don't think it

was fair and reasonable of Admiral to increase Mr R's premium mid-term. So Admiral should refund Mr R his increased policy premium of £865 (plus interest).

Turning next to the issue of the theft of Mr R's car, there was a delay by Admiral in collecting Mr R's car, from which the wheels had been stolen, for salvage. This was because Admiral gave its salvage agent the wrong contact phone number for Mr R. Admiral says that, after the correct phone number was given, its agent tried unsuccessfully a few times over a number of days to contact Mr R. Mr R says he has no recollection of any phone calls from the salvage agent. He says that, if the car had been collected by Admiral sooner, it wouldn't have been stolen.

Admiral made a mistake in giving its agent the wrong contact number for Mr R. What I have to think about is whether Admiral's mistake – and the delay it caused in getting Mr R's car collected – made it reasonably foreseeable the car would be stolen. I don't think this is something Admiral could reasonably have foreseen. So I'm not upholding this part of Mr R's complaint.

My final decision

For the reasons I've given, I uphold Mr R's complaint and direct Admiral Insurance (Gibraltar) Limited to reimburse him the increased policy premium it charged him of £865.52. Admiral Insurance (Gibraltar) Limited must pay interest on this sum at the rate of 8% a year simple from the date Mr R paid the premium increase to the date of payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 26 April 2023.

Jane Gallacher
Ombudsman