

The complaint

Mr E complains that Admiral Insurance (Gibraltar) Limited mishandled a motor insurance policy.

What happened

Mr E was in his thirties with a wife and children. In 2021, he had a provisional driving licence. In late January 2021, he took out an Admiral policy for a small car with a registration ending in the letter "H". He gave a home address in Scotland. Mr E was the policyholder. The policy also covered a named driver.

In about February 2021, Mr E committed the offence of driving otherwise than in accordance with a licence (offence code LC20). Mr E has told us that his licence had expired.

In late 2021 or early 2022, Mr E told Admiral he had got a full driving licence. From late January 2022, the policy renewed for the following year.

On about 19 March 2022, Mr E removed from cover the small car with a registration ending in the letter "H" and added a small car with a registration ending in the letter "V".

By about May 2022, Mr E had moved from Scotland to England.

On about 8 May 2022, police spoke to Mr E while he was in charge of the car with the registration ending in the letter "V". He said he had been delivering alcoholic drink. Police checks found that Mr E wasn't insured to drive the car for work.

Prosecutors pursued Mr E for the offence of driving without insurance (offence code IN10).

Mr E instructed solicitors. In each of the three months August, September and October 2022, Mr E paid the solicitors £500.00 (a total of £1,500.00).

Mr E complained to Admiral that it had told him in March 2022 that its policy would be suitable for his purposes.

In October 2022, Mr E was involved in a non-fault claim.

By a final response dated early November 2022, Admiral said that it didn't have access to the relevant telephone call from March 2022. It said it was sending Mr E a cheque for a goodwill gesture of £20.00.

Mr E brought his complaint to us straight away.

On about 24 January 2023, a court convicted him of the IN10. The court ordered Mr E to pay a fine of £250.00, a surcharge of £25.00 and prosecution costs of £100.00 (a total of £375.00) at £20.00 per month. The court ordered six penalty points on Mr E's driving record.

DVLA wrote to Mr E saying that from about 30 January 2023, it was revoking his driving licence under the New Drivers Act and he had to pass another test before he could get another licence. Mr E didn't renew the policy in January 2023.

Mr E says he got a new full UK licence on 13 April 2023.

our investigator's opinion

Our investigator recommended that the complaint should be upheld. She thought that Admiral did misinform Mr E about suitable cover. She thought that what had happened had been very stressful, frustrating, upsetting, and inconvenient. She recommended that Admiral should:

1. pay Mr E:

reimbursement of court fines and charges	£ 375.00
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reimbursement of solicitors' fees	£1,500.00
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loss of use of vehicle

30 January 2023 to 13 April 2023

(73 days) @ £10.00 per day	£ 730.00
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distress and inconvenience	£1,000.00
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sub-total	£3,605.00
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2. estimate what the difference in premium would be with and without the IN10 conviction using Mr E's new address and pay further compensation calculated by multiplying this difference in premium by five and then dividing by two.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr E and to Admiral on 26 June 2023. I summarise my findings:

I found Mr E's evidence unreliable. So – whilst Admiral had given him the benefit of the doubt – I didn't find that Admiral ever told him he was insured for delivery work.

I was minded to find it fair and reasonable to hold Admiral to its offer of £5,000.00. Otherwise, I didn't find it fair and reasonable to direct Admiral to try to put right the consequences for Mr E of the loss of his licence.

Subject to any further information from Mr E or from Admiral, my provisional decision was to uphold this complaint in part. I intended to direct Admiral Insurance (Gibraltar) Limited to pay Mr E £5,000.00 in settlement of this complaint.

Mr E says accepts the provisional decision, or at least the £5,000.00. He says, in summary, that:

- Admiral's agent told him that, with this policy, he could deliver any items other than food.
- For changing to business insurance it would cost him only £2.50 per month.
- He was using his bicycle not his car to do the delivery job.
- He did the delivery on 8 May 2022 only because the item to be delivered was not food.
- He also needs the letter from Admiral to remove the IN10 from his driving record.

Admiral hasn't responded to the provisional decision, but that decision is in line with Admiral's offer.

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 accept Admiral's statement that in February 2022, it asked Mr E for licence details and when he didn't respond, it cancelled the policy in March 2022. Mr E provided licence details including the LC20. Admiral reinstated the policy.

I would expect Admiral to have the call recording from March 2022, but it hasn't. And Mr E has consistently provided his recollection of the call. So I've thought about accepting that recollection.

However, Mr E hadn't previously disclosed the LC20 as he should have done. I consider that this damages the reliability of what he said later.

I consider that most of Admiral's call-handlers would know that social domestic and pleasure ("SDP") cover wouldn't include use of the insured vehicle for any kind of paid work. So I don't find it likely that Admiral's call-handler told Mr E in March 2022 that SDP would cover him for delivery work.

A few weeks had passed after the call in March 2022. So I don't find it likely that Mr E still had an accurate recollection of the call by the time that he encountered the police in May 2022.

I've seen a police officer's statement of the circumstances of that encounter. It occurred just after midnight in a city in England. The statement says that officers saw Mr E stopped on a crossing and were about to ask him to move the vehicle when they noticed a strong smell of cannabis.

Mr E gave a home address in that city. He told the officers he had just delivered alcohol on behalf of a well-known delivery business. Police checks found that the named driver was the registered keeper of the vehicle and Mr E had SDP cover. Mr E said that his insurer had told him he would be covered for delivery of anything except food.

But I find that there's not enough evidence that Mr E had told Admiral that he had moved to a city in England or that he was working for a delivery business.

I find Mr E's evidence unreliable. So – whilst Admiral has given him the benefit of the doubt – I don't find that Admiral ever told him he was insured for delivery work.

Save as set out below, I don't find it fair and reasonable to direct Admiral to try to put right

the consequences for Mr E of the loss of his licence.

Mr E's response to the provisional decision

To reiterate, I don't find that Admiral ever told Mr E he was insured for delivery work, whether delivery of food or of alcohol.

I don't consider it relevant to investigate the cost of car insurance for business use by Mr E.

He had not taken such insurance at time of the delivery on about 8 May 2022.

I have no reason to doubt Mr E's statement that he usually used his bike for delivery.

But he used his car for the delivery on about 8 May 2022 and he didn't have insurance to do that. That's what led to the IN10.

Admiral previously mentioned sending Mr E a letter saying that the IN10 arose from its error. But Admiral will no longer consider this. And I haven't found that Admiral told Mr E he was insured for delivery work. So I don't find it fair and reasonable to direct Admiral to write such a letter.

Putting things right

Nevertheless, I find it fair and reasonable to hold Admiral to its latest offer. So I will direct Admiral to pay Mr E £5,000.00 in settlement of this complaint.

To be clear, Mr E needs to decide whether or not he will accept this decision and £5,000.00 in final settlement of his complaint (without any letter from Admiral saying that the IN10 arose from its error).

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Admiral Insurance (Gibraltar) Limited to pay Mr E £5,000.00 in settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 25 July 2023.

Christopher Gilbert

Ombudsman