

The complaint

Mr M complains that Admiral Insurance (Gibraltar) Limited increased his premium for his motor insurance policy due to an incorrect claim on his record.

What happened

Mr M took out a policy with Admiral and it told him he needed to add a claim from 2020. But Mr M said he was a passenger in the car at the time and didn't then even have a driving licence. A year later, Admiral eventually agreed that Mr M didn't need to report the claim and it refunded him £109.77 for the difference in premiums. Admiral said the incident was recorded against Mr M on the Claims and Underwriting Exchange (CUE) database by another insurer and it couldn't remove it. Mr M wanted a refund for the previous year and compensation for how he had been treated and the time it took to resolve this matter.

Our Investigator recommended that the complaint should be upheld. He thought Admiral wasn't responsible for the incorrect information on CUE. But he thought Admiral had incorrectly held Mr M responsible for a claim when CUE recorded him as a third party. He thought Admiral could have explained this to Mr M and so avoided hours of calls and frustration. He thought Admiral should pay Mr M £300 compensation for this.

Admiral agreed to do this and to add interest to the premium refund. But Mr M thought Admiral should refund all his premium and pay him up to £1,500 compensation for the trouble and upset caused over a significant period.

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.

Admiral now accepts that it made mistakes in handling Mr M's concern. Its system had pulled incorrect information from CUE that could have been corrected by its agents. Instead, Mr M had to spend hours repeating his story until a more senior agent recognised there had been an error and told Mr M he didn't need to disclose the claim. Then Mr M had to spend time contacting the insurer who had recorded the claim to clarify that he was a third party in the claim and so not at fault.

I can understand that this must have been stressful and frustrating for Mr M. He's explained that he was also concerned that Admiral had cancelled his policy and he was driving whilst uninsured, but this wasn't the case.

When a business makes a mistake, as Admiral accepts it has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the error had on the consumer.

From what I can see, Mr M paid a higher premium for one year and then he cancelled his policy the next year. Admiral gave Mr M a refund of his premium for the difference the incorrect claim made to his policy. Mr M wanted a full refund. But I don't think this would be fair or reasonable as Admiral provided cover for Mr M and so he had benefit of it. Admiral has offered to add interest to the refund from the date the premium was paid to the date of

refund. I think that's fair and reasonable as Mr M was without his money for some time. I think that fairly restores Mr M's position.

Mr M also wanted substantial compensation for the trouble and upset he was caused in trying to correct Admiral's error. I can see that Mr M spent six or seven hours on phone calls before he brought his complaint to us. I think some of the calls could have been handled better and I can understand Mr M felt frustrated that he had to repeat his story. I can also understand that Mr M felt worried that he was uninsured for a time.

Our Investigator recommended that Admiral should pay Mr M £300 compensation and he provided Mr M with our published guidelines to explain how he arrived at this amount. I'm satisfied that this is in keeping with our guidelines for the level of impact Admiral's error caused. And so I think that's fair and reasonable.

Putting things right

I require Admiral Insurance (Gibraltar) Limited to pay Mr M £300 compensation for the distress and inconvenience caused by its level of service and to pay Mr M interest at 8% simple per annum on the refund of premium from the date of payment to the date of refund, as it's already agreed to do.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to carry out the redress set out above, as it's already agreed to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 August 2023.

Phillip Berechree
Ombudsman