

The complaint

Mrs D, Miss M, Mr W and Mr W have complained about Admiral Insurance (Gibraltar) Limited. They aren't happy about the way it dealt with the renewal of their multi-car and house insurance policy.

As Mr W has mainly advanced this complaint I will refer to him throughout for ease.

What happened

Mr W looked to discuss the renewal of the multi-car and house insurance policy with Admiral just before renewal. The policy covered three cars and the house and Mr W was told that the policy would renew at the reduced price he had negotiated.

Unfortunately, it later transpired that the policy hadn't renewed which meant that Mr W and the other policy holder were left uninsured for a short while. And when Admiral looked into this for Mr W it said it couldn't now provide cover at the level negotiated or even at the amount it offered pre-negotiation. So Mr W and the other policy holders had to take out cover elsewhere at short notice and at an increased price. Admiral acknowledged that it got things wrong here and offered £65 by way of compensation. As Mr W and the other policy holders remained unhappy they complained to this Service.

Our investigator looked into things for Mr W and the other policy holders and he upheld their complaint. Admiral accepted it got things wrong but he didn't think that its offer of £65 compensation went far enough. He thought the compensation level should be increased to £150 and that Admiral should cover any increase in policy costs each party incurred because of the failing.

Mr W thought they should get more by way of compensation and Admiral only responded initially to say it was investigating things, but it then didn't respond so the matter has been passed to me for review.

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 agree that the complaint should be upheld. I'll explain why.

Although Admiral appears to accept it got things wrong here and offered £65 in compensation it hasn't really explained what went wrong; why it said it would provide cover and renew the policy and why this didn't happen. And it hasn't explained why it wouldn't offer cover once the error (of the policy not renewing at the price Mr W agreed) was noticed. Without this information and explanation, it makes this case difficult to decide.

However, it is clear from the communication leading up to renewal that renewal was agreed and should have been in place, indeed Mr W negotiated a slightly reduced price. It must have been worrying and stressful for Mr W and the other policy holders to have realised their

policy hadn't auto renewed and they were driving uninsured - fortunately nothing happened and I would have asked Admiral to cover any claim if it had. And it must have been annoying and difficult to have had to quickly look to reinsure elsewhere at short notice at a higher price. I know Mr W feels the compensation should be a lot more, but I agree that £150 compensation seems fair for the stress and inconvenience caused over a relatively short period of time.

As the renewal and payment plan had been agreed and should have renewed a few hours later I think it's only fair that Admiral honours the price it agreed. It hasn't explained in any meaningful way why the policy didn't renew or why it wouldn't continue with cover at the agreed price. And given this I agree that Admiral should pay any additional premiums Mr W and the other policy holders incurred subject to them providing their schedules and proof of payment so the increase in premium is confirmed and the level of cover is shown to be comparable.

My final decision

It follows, for the reasons given above, that I'm upholding this complaint. I require Admiral Insurance (Gibraltar) Limited to refund the difference the policy holders have paid for their insurance (subject to reasonable proof of payment and comparable level of cover) plus £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D, Miss M, Mr W and Mr W to accept or reject my decision before 12 October 2023.

Colin Keegan
Ombudsman