

## **The complaint**

Mr H says Admiral Insurance (Gibraltar) Limited provided poor service after he cancelled his motor insurance policy, leading to an adverse credit marker being added to his record and left there for too long.

## **What happened**

Mr H says he called Admiral to cancel his motor insurance policy on 6 August 2022, the day it was renewed. On 27 January 2023 he noted that direct debits for the policy had continued, so he claimed them back from his bank through the direct debit indemnity scheme. He also called Admiral to cancel the policy. It did so on 28 January 2023, and an automatic refund of all the payments taken for the policy was made. On 30 January 2023, the bank contacted Admiral about the indemnity, and Admiral then realised that Mr H had been refunded twice.

On 1 February 2023 Admiral asked Mr H to return the refund it had made within 14 days, or it would instruct its collections department. Mr H has always accepted that he got the refund, but he doesn't think he got Admiral's email and he doesn't think it should have taken steps to recover the refund. After its collections agent contacted him on 23 February 2023, he paid the sum he owed on 7 March 2023. Two weeks later, Mr H noted that his credit file said he'd missed a payment to Admiral. He queried it with the collections agent, and it said it had passed on his payment, but his credit file hadn't been updated. Mr H says that - given his occupation - he needs a perfect credit record, so Admiral's error was serious for him.

Admiral said there was no record of Mr H having contacted it in August 2022, which is why the policy continued. It accepted that he'd repaid the refund on 7 March 2023, but it said from January 2023 up to that point he owed money to it. Hence the markers were added in February and March 2023 and the debt was shown as satisfied in March 2023.

One of our investigators reviewed Mr H's complaint. She thought it was reasonable for Admiral to record the debt on Mr H's credit file until it was settled, and she didn't uphold his complaint. As Mr H didn't accept her view, his complaint was 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.

Admiral says it has no record of a call from Mr H in August 2022, and Mr H hasn't provided any evidence of it. So there's nothing to show that Admiral was at fault in charging him for cover until he called it in January 2023. Admiral then gave Mr H two weeks to return its refund once the bank alerted it to the situation in January 2023. It emailed Mr H *and* wrote to him about that. Mr H didn't respond - and even after the collections agent contacted him on 23 February 2023, it was a further two weeks until he paid the debt, which extended it into March 2023. I think it's surprising that Mr H didn't act more quickly, and I think it was fair for Admiral to add a marker to his credit record for February 2023 and March 2023.

Mr H says there was a gap between his payment on 7 March 2023 and the debt being shown as satisfied on his credit record. I think there's some confusion around this issue. A screenshot Mr H sent us showed an 'S' (for settlement) in March 2023, but he told us he called Admiral on 23 March 2023 because the debt (or 'missed payment') was still showing. Admiral's file notes show the advisor who dealt with Mr H checked that the sum owed had been paid. It confirmed to us that its records show the debt was settled in March 2023, but as a table it gave us showed the settlement was in April 2023, we queried the issue.

Admiral said it sends data to credit agencies on a monthly basis, showing accounts that are clear, with the date each payment was made to settle each account. It said the credit agency didn't update Mr H's record until April 2023 - but it also said that date isn't relevant to his complaint, as the agency was told his account was settled in March 2023. We'd expect an insurer to update its records and to provide data to credit agencies within a reasonable time of a debt being settled. I think monthly update reports are reasonable, but Admiral can't control how quickly an agency acts on the data received from it.

Mr H says he faced serious consequences as a result of an adverse entry on his credit record, but I think Admiral had good reason to record the debt. I can see why he was worried about potential problems arising from that, but it doesn't mean Admiral made an error. Mr H is also concerned about the debt having been recorded by Admiral as a missed payment, as he has never missed making a payment. But Admiral says that's its standard wording for an outstanding debt. The debt was overdue, and I don't think the wording Admiral used was unreasonable, but we can't dictate the terminology an insurer should use anyway.

I know Mr H will be disappointed with my decision, but taking everything into account, I don't think it would be fair and reasonable to uphold his complaint.

### **My final decision**

My final decision is that I don't uphold this complaint. Under the Financial Ombudsman Service's rules, I must ask Mr H to accept or reject my decision before 6 February 2024.

Susan Ewins  
**Ombudsman**