

## The complaint

Mr P complains Admiral Insurance (Gibraltar) Limited haven't handled claims, the cancellation of his policy, or his contacts with them fairly on his motor insurance policy.

## What happened

I issued a provisional decision setting out what'd happened, and what I thought about that. I've copied the relevant elements below, and they form part of this final decision.

*As a summary, Mr P's complaints are:*

- *The length of time a claim he made in June 2021 is taking*
- *The renewal price he was offered in September 2021*
- *Errors made by Admiral with his No Claims Discount (NCD) during the renewal process in September 2021*
- *That he's not been given any cost for the claim from June 2021*
- *Being told payments wouldn't be taken until issues regarding his NCD had been resolved – but then payments were attempted to be taken*
- *That Admiral cancelled his policy in November 2021 without telling him despite him having given them his correct contact details, and then after reinstating it cancelled it again in January 2022*
- *Admiral have refused to indemnify him during the time his policy was cancelled*
- *He's received very poor customer service – with contacts regularly not being returned, including one specific email from a case handler*
- *And that he's unclear how much is owing, how this amount has accrued, and that Admiral asked debt collectors to contact him*

*Across a number of responses, Admiral have said:*

- *They accept they may have caused some confusion with the NCD*
- *They agree they told Mr P they wouldn't take payments but have continued to try and do so, and*
- *They can see Mr P has called many times trying to get this resolved, and call backs he's been promised haven't always been made.*

*So they partially upheld his case for these issues they paid Mr P £275 in total (from what I can see, it's £125 in November 2021, and then £150 in January 2022). For the remaining issues Mr P raised, in their responses to him, they didn't uphold them.*

*Unhappy with this, Mr P asked us to look into things.*

*One of our Investigators did so, but ultimately felt Admiral had done enough to put matters right.*

*Mr P didn't agree – in summary saying his first claim hadn't been resolved, nor had his second claim, the customer service was appalling and he doesn't know if he's left with any debt. As Mr P didn't agree, the complaint's been passed to me to decide.*

*To help me decide this case, I arranged for us to ask Admiral a large number of questions and provide a significant amount of evidence. In response, Admiral said they hadn't treated Mr P fairly when cancelling his policy in November 2021 and offered £250 compensation to reflect that. I've taken that into account when deciding what I think is a fair outcome.*

### **What I've provisionally 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 think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Mr P's complaint in considerably less detail than he has. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.*

*I'll provide my thoughts on each issue, and then explain at the end how matters should be put right.*

The length of time a claim he made in June 2021 is taking

*Mr P's concerns here are both that it's been two years since the claim and no real progress has been made – and also that when he's contacted Admiral he's been told they've not done anything for months at a time.*

*From the notes Admiral have provided they've recorded Mr P said he wasn't prepared to pay his excess in order for the claim to be considered.*

*Admiral say because Mr P hasn't paid his excess, then technically there is no claim at this point for them to pursue matters. So, all they can do, is ask the other insurer to try and get them to take the matter to court.*

*I think at this point it's helpful to explain how the claims process works. The excess payment is a contribution towards the insurer's costs for dealing with the claim – whether the claim is or isn't the fault of the policyholder isn't relevant initially. Paying the excess means the claim has been accepted for consideration by the insurer, and they'll consider matters accordingly. Here, Mr P has said he's not prepared to pay the excess. So, that means there is no claim – that means technically Admiral are acting correctly in saying they can't take the matter to court – because as things stand Mr P hasn't allowed for the claim to go ahead.*

*Admiral can't provide the relevant call recordings – so I can't see how clear this was made to Mr P. But, I can see there has been times where Admiral haven't chased up the other insurer as often as they perhaps could have – so I'll factor this in to my overall thoughts about how matters should be resolved.*

*If Mr P wants his claim to be progressed and potentially taken to court, then he may wish to discuss with Admiral how he can do that. I suspect they'd explain if he pays the excess and is later found to be not at fault for the accident, the excess will be repaid to him – and*

*Admiral can carry out the repairs to the car if the claim is a valid one. But I'd encourage him to have that conversation with Admiral at this stage – and if he remains unhappy then he'd potentially be able to raise a new complaint.*

The renewal price he was offered in September 2021

*The renewal price Mr P was initially quoted was £3,945.49. A policy was eventually taken out at this time. Notes show occupation, mileage and usage updated, which reduced premiums by £784.64 to £3,160.85 – though the amount owing at this time was £3,216.02 due to an additional premium from the previous policy year of £55.17 which was still owing. I'll explain this in more detail in a later section.*

*But, focusing back on the renewal price, I think it's helpful to explain the cost of an insurance policy varies according to a large number of factors – some of which I've listed above. Any claims could also impact on the cost.*

*I've seen a copy of the underwriting and pricing information from Admiral to justify why the premium was increased. I'm not able to share this, as it's commercially sensitive, but I'm satisfied with the information it contains.*

*It shows me the reasons for Mr P's policy increasing was fair. So, on this point I don't think Admiral did anything wrong.*

Errors made by Admiral with his No Claims Discount (NCD) during the renewal process in September 2021

*The current position of this issue is that Admiral accepted they made an error in the first phone call where NCD was discussed – and then later on when they changed Mr P's NCD to zero years. It was October 2022 when Admiral realised this and said Mr P's NCD should be two years.*

*Mr P has told us he's not able to get his new insurer to recalculate his premiums. Ultimately, the error regarding this was Admiral's – so if Mr P's new insurer isn't going to recalculate his premiums to ensure he's not lost out, then putting this issue right falls to Admiral. So, I'm upholding this element of Mr P's complaint and again will address this at the end – taking into account the compensation Admiral offered for this issue.*

That he's not been given any cost for the claim from June 2021

*Mr P raised concerns he'd not been told how much the claim was costing for the June 2021 claim.*

*Admiral say usually it's not something they'd share with policyholders, as the cost of the claim is taken on by them.*

*Generally I'd agree Admiral are right and I think in Mr P's case that's fair. They did though tell Mr P it was £640.26. And, more recently, they've confirmed that's still the cost as they've not progressed the claim because they're waiting for the other insurer to admit liability or take the matter to court.*

*So, on this point, I don't think Admiral have done anything wrong.*

Being told payments wouldn't be taken until issues regarding his NCD had been resolved – but then payments were attempted to be taken

*When Mr P was talking to a manager on 18 September 2021 about the issues regarding his NCD this was also around the time his policy was due to renew.*

*I can see it's been accepted by all parties Mr P was told he wouldn't have to pay anything towards the cost of his new policy, until the complaint he'd raised about this had been resolved.*

*Admiral's manager seems to have expected this to happen within a week – but the actual outcome wasn't sent until 25 October 2021.*

*Because Admiral's manager expected this to be resolved promptly, as I understand things they didn't make the appropriate entries on the system to suppress any payment requests – which led to Admiral asking Mr P to pay for the policy on 9 and 21 October 2021 when they shouldn't have. I have also noted further attempts were then made on 26, 27 November, and 15, 16 December 2021.*

*Overall then I'll be upholding this part of Mr P's complaint, as Admiral attempted to take payments when they said they wouldn't – and again will factor in the compensation they've paid at the end to see if this is fair.*

*That Admiral cancelled his policy in November 2021 without telling him despite him having given them his correct contact details, and then after reinstating it cancelled it again in January 2022 – and Admiral have refused to indemnify him during the time his policy was cancelled*

*As outlined above, Mr P was told in a phone call on 18 September 2021 he didn't have to make any payments until the outcome of his complaint was sent.*

*That outcome was sent on 25 October 2021. But, in the meantime, because of the error regarding the manager not noting on the system about the extension on the payment – Admiral sent Mr P payment demands on 13 and 23 October.*

*These demands said unless Mr P paid for the policy, it'd be cancelled without further notice. But, clearly, these notices contradict what Mr P had been told about not having to make any payments until the complaint had been resolved.*

*Given the complete opposite instructions Mr P was being given, I'd have expected Admiral to make it extremely clear to Mr P after the outcome was issued on 25 October 2021 that he needed to make payment. I'd also have expected Admiral to make it clear what the consequences of not making the payment would be – especially given driving without insurance is illegal. I understand conversations took place after 25 October (when the outcome was issued) and before 2 November (when the policy was cancelled) but I've not been provided with any call recordings so I can't hear what was said.*

*Having put my initial thoughts to Admiral in order to ask them if they now thought they'd treated Mr P fairly – they've said no. In response to this they've offered £250 compensation.*

*After the policy was cancelled on 2 November 2021 Mr P was unfortunately in a further accident in which he disputes he was at fault.*

*This accident seems to have occurred on 6 November, and he called Admiral on 10 November 2021. Admiral haven't provided the call where Mr P found out his policy had been cancelled – only the one preceding that as that's all they said they had on file.*

*But I understand Mr P says he didn't know his policy had been cancelled. Admiral dispute this, saying they wrote and emailed his correct email address to tell him about this.*

*Overall though, I don't think I need to address this in detail – that's because I don't think the cancellation of the policy was done fairly. So, whether Admiral did or didn't write to Mr P's correct email address becomes moot.*

*It's during the conversation on 10 November 2021 I understand Mr P's policy was reinstated. I understand this was done at the time as a gesture of goodwill. Again, I've asked Admiral whether, in retrospect, this was the right action to take – and they've said no they think they should have investigated the matter further before reinstating his policy.*

*Overall then I'll be upholding this part of Mr P's complaint, I don't think they carried out a fair cancellation of the policy, nor do I think they reinstated it appropriately.*

*He's received very poor customer service – with contacts regularly not being returned, including one specific email from a case handler*

*Mr P has expressed extreme frustration at constantly having to call for updates as emails weren't being replied to, being promised call backs, and not receiving them.*

*Dealing with this issue first, I can see Admiral agreed with this, and awarded Mr P some compensation. Having considered all of the available evidence, I agree and uphold this point.*

*Mr P is also unhappy about an email he received from one of Admiral's case handlers. This said they couldn't call Mr P back because they'd been having phone issues, and also email issues which led to a delay in them receiving his email. They said if Mr P remains unhappy with the outcome of previous complaints, then he can contact our service.*

*Mr P said he felt the case handler was extremely smug in this email and didn't think it was good customer service.*

*Having read the email, I disagree. Although I find it disappointing the case handler had issues which meant emails and phone calls couldn't get through, and seemingly took no action to let external people know this such as an out of office, I can't reasonably say there is anything in the response itself that comes across as inappropriate. So, I don't uphold this element of Mr P's complaint.*

*It's unclear how much is owing, how this amount has accrued, and that Admiral asked debt collectors to contact him*

*One of the concerns Mr P has raised is that when Admiral were trying to take money from him, it was for different amounts and he had no idea why.*

*Admiral have provided this list and explanation of what amounts were attempted, when, and what they were for:*

- **2 September 2021 for £55.17** – Mr P changed his car, so this incurred an additional premium (and this was before the primary issues began on 18 September 2021)
- **9 October 2021 for £3,216.02** – this was the renewal premium of £3,160.85 plus the outstanding £55.17 that hadn't been paid at this point
- **21 October 2021 for £3216.02** – same as above

*Between this time and the next payment attempt, the policy had been cancelled on 2 November 2021, and then reinstated on 10 November 2021 with the expected renewal date of 19 September 2022.*

- **26 November 2021 for £2,566.56** – recalculated premium for 10 November 2021 to 19 September 2022
- **27 November 2021 for £496.21** – premium for 19 September 2021 to 2 November 2021
- **15 December 2021 for £2566.56** – as above
- **16 December 2021 for £496.21** – as above

*Then following the cancellation of the policy on 18 January 2022 – the amount of £2,566.56 was recalculated and became £569.71 (while waiving the cancellation fee of £60).*

*So, Admiral calculated Mr P owed:*

- £496.21 to cover 19 September 2021 until 2 November 2021, and
- £569.71 to cover 10 November 2021 to 18 January 2022
- £1,065.92 in total

*Admiral though have told us:*

- They've written off the £496.21 – this was legitimately owed by Mr P but they've said he doesn't need to pay it now
- The £569.71 is what they asked the debt collectors to collect – but an amount of £17.74 was generated as a refund meaning Mr P now owes £551.97.

*It's only after our service has really pressed Admiral on this point, that this information has been provided. I can see it's been a real concern of Mr P's about whether he owes anything, and if so, what that amount is.*

*Given that, I'm not sure it was appropriate for Admiral to pass this on to a debt collector to get in touch with Mr P about it. I'm aware that caused Mr P distress – and he says the reason the account was returned to Admiral was because their contact severely affected his mental health. I'm aware Admiral have said the reason the account was returned was because Mr P refused to pay the debt.*

*Overall then, I'm going to be upholding this element as well, while factoring in that Admiral have written off £496.21 that Mr P legitimately owed.*

## **Putting things right**

*I think to put right matters in this case is somewhat complicated due to the length of time matters have gone on for, and the sheer number of issues that have come up during that time.*

*So, I will be taking a holistic view of things. I've seen Mr P say that's not how things should work, but ultimately I think what I'll go on to outline will be a fair way to resolve the matter.*

*The first issue for me to consider is whether Admiral need to do anything further with the two claims Mr P wants to raise. In relation to the claim in June 2021 I don't think so – but I have set out what Mr P can do if he'd like to.*

*In relation to the second claim in November 2021, the only reason the claim hasn't been considered is because of the policy being cancelled.*

*But, for the reasons I set out above, I don't think the policy was cancelled fairly. I'm not satisfied based on all the information provided to me that Mr P fully understood the consequences of what was going on – and that's down to Admiral's very poor communication.*

*I appreciate Admiral have offered £250 compensation for this issue, but I don't think that really rectifies the situation. Given the circumstances I've outlined above I think the cancellation of the policy as of 2 November 2021 should be rescinded. And this means Admiral will need to consider the claim.*

*I do though want to make it clear to Mr P that I'm only telling Admiral to consider the claim – not pay it. Admiral never assessed the claim because based on the information they operated on at the time the policy had been cancelled – so they may not have taken down the usual information. Ultimately, if Admiral decide not to pay the claim, then that's something Mr P could raise as a new complaint.*

*I do though also want to make it clear to Admiral that they'll need to fairly assess the claim while factoring in what's happened. As I've found they didn't correctly cancel Mr P's policy on 2 November 2021 then had things run their course they'd have gathered all the relevant information from Mr P at the time. If because of the delay in them now trying to consider the claim there is any potential detriment to the claim because of that delay, I'd encourage Admiral to consider that in Mr P's favour – since they're the ones who made an error in cancelling the policy which led to this situation occurring.*

*I've said above I don't think Admiral should have reinstated the policy on 10 November 2021. Taking that further, as I don't think the policy should have been cancelled on 2 November, I think that's the appropriate date to reinstate the policy.*

*Admiral have written off the premiums owed of £496.21 for the period immediately before this – that's their prerogative and it the circumstances of everything that's happened certainly doesn't seem unfair.*

*But I think in reinstating the policy from 2 November 2021 until 18 January 2022, it's only right that premiums can be charged. I don't think it'd be fair or appropriate for Admiral to consider a claim without having been paid a premium for that.*

*So, Admiral will need to recalculate the premium from 2 November 2021 to 18 January 2022 and let Mr P know what that is. But, before Mr P might be required to pay the premium, Admiral may want to take off the premium from the compensation amount below.*

*As things stand Admiral say they've paid Mr P £275 in total. Mr P seems to only refer to having received £150.*

*Either way, I'm going to say the total compensation on Mr P's case should be set at £1,000.*

*As a reminder the issues I'm upholding are:*

- *NCD problems*
- *Trying to take payments when they shouldn't have*
- *Cancelling his policy unfairly and not meeting his November 2021 claim unfairly*
- *Poor customer service*
- *Not knowing how much is owed and being contacted by debt collectors*

*As Mr P's new insurer wouldn't calculate the amount the NCD errors cost him it's impossible to work out exactly how much he's been overcharged – but, I'm satisfied this amount of compensation factors in a likely amount Mr P was overcharged by new insurer. Likewise, I'm satisfied this amount covers any bank fees Mr P may have incurred when Admiral tried to take payments they shouldn't have – while also giving him some additional compensation for the issues that have happened.*

*Admiral have made a large number of inexplicable errors and seem to have just compounded them one after the other on a consistent regular basis. I've set out the issues above and it's just not clear to me how Admiral could get it so wrong on so many occasions – especially given I'd expect Admiral to take more care with policyholders where they have already made mistakes – and policyholders who have disclosed health conditions which mean these issues are far more impactful.*

*So, overall, I think £1,000 in total is fair. But, Admiral may want to:*

- *Remove the cost of the recalculated premium from this payment before making it to Mr P*
- *Remove any previous payments to Mr P before making it to Mr P*

*If Admiral do this, I'd say it's reasonable. But they'll need to send a letter to Mr P explaining exactly what his new premium was (which will be £551.97 plus the additional time on cover between 2 and 10 November 2021), when they made the previous payments of £125 and £150 and how much they're paying him now, so he knows.*

*Finally, I think Admiral need to remove the cancellation notices from Mr P's records on any internal and external databases – and give him a letter saying the cancellations were their error so he can show it to future insurers. As I don't think the policy should have been cancelled on 2 November 2021 that's a given. And I'm saying at this stage Mr P owes the premiums, but no one told him how exactly it'd been calculated. So, although Mr P owed the premiums when the policy was cancelled in January 2022, I think the overall events I've laid out here show that cancellation to also have been unfair – especially since I'm saying he has to pay those premiums now. I've also factored in these potential extra costs into the amount of compensation I'm saying Admiral need to pay.*



## Responses to my provisional decision

Mr P expressed some concerns regarding the outcome I'd proposed. I've summarised his comments as follows:

- What if the other party involved in the November 2021 crash denies the allegations? Had his insurance not been cancelled, he'd have had a better chance of this being dealt with.
- Why should Admiral be able to deduct costs from the compensation after they have continuously failed to do their jobs?
- He doesn't agree with the payment of £551.97 as he only continued to stay with Admiral as they were supposed to be dealing with a serious complaint due to his negligence. He also says this cost around £180 per month for three months – was this dragged out so they could run up a large payment at the end?
- Overall if the costs of £551.97 and £275 are deducted from the £1,000, this only leaves £173.03 which wouldn't even cover a counselling session for the stress Admiral have caused.
- These costs don't cover the damages / excess he may have to pay from the November 2021 claim as he feels Admiral trying to win a claim on his behalf from two years ago is 99% unlikely.
- He also said the monies he had to pay to his new insurance company is very much over £500 due to Admiral's error on the NCD.
- And he asks if anyone from Admiral will be writing him a letter of apology for their negligence.

Mr P said to settle the matter he'd like:

- *“£750 compensation from admiral (no deductions).*
- *Any outstanding debt with admiral to be written off.*
- *Damages on my car to be covered by Admiral or expenses transferred along with the compensation (damages quoted at £350+Vat).*
- *A letter explaining Admiral were at fault for my cancellation so I can show any future insurers.*
- *A letter of apology from Admiral for their mistakes.*
- *Admiral's databases to be updated accordingly.”*

Admiral didn't reply by the deadline.

## 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'll address each of Mr P's comments in turn.

For the November 2021 crash I don't know what will happen – so it's possible the other party will deny the allegations. As I've said, I'd ask Admiral to factor this in when deciding the claim outcome – and, if Mr P remains unhappy, then he can raise a new complaint about that. I can't influence the outcome of this claim; it wouldn't be right for me to say it needs to be paid, when it's possible the terms of Mr P's policy would mean, for whatever reason, Admiral wouldn't be required to meet the claim. Admiral have to assess it first.

Admiral have continuously failed to do their jobs in handling things appropriately for Mr P, and I do understand he isn't happy to have to pay for the insurance of £551.97. But ultimately, I think this is fair. Mr P is required to pay for his insurance if he wants his claim met – and I can't ignore the £496.21 Admiral wrote off which was legitimately owed.

Regarding the excess for the claim in November 2021, that is a payment Mr P has to make if he wants his claim considered. As I've explained before, a claim can't be considered unless the terms of the policy are met – one of which is paying the excess up front.

In respect of the money he's had to pay his new insurer, Mr P hasn't provided evidence of this. He's said it's over £500. But I know pricing in the insurance industry fluctuates due to a large number of different factors – including what types of car someone drives, where they live, how many claims they've had and many other issues as well as a NCD. Without evidence, which Mr P has told us he can't get, I can't require Admiral to pay as much as he's suggested. Especially when I think it's unlikely any issue with the NCD is going to have contributed this much to the issue. If Mr P decided he wanted to complain about his new insurer, and how much they've charged him, then he could do so. But, given I've not been provided with any evidence, I've no grounds on which to ask Admiral to pay more on this point.

I understand why Mr P would want a letter of apology. I've not though required that. That's because Admiral is required to do what I say if Mr P accepts the decision within the deadline. So, if I require Admiral to say sorry, then it's a forced apology which, to me, simply doesn't mean that much. If Admiral wish to say sorry when contacting Mr P after this decision, then I think that'd be a nice touch, but it won't be something I'm requiring them to do.

Overall, although I understand Mr P fundamentally disagrees with my outcome, I remain satisfied with the way I've suggested to put things right. I do also think it's important to emphasise Admiral wrote off £496.21, and I'm recommending a total of £1,000 compensation. So, Mr P is receiving a compensation package of around £1,500 for Admiral's errors.

### **My final decision**

I partially uphold this complaint and require Admiral Insurance (Gibraltar) Limited to:

- Reinstate Mr P's policy from 2 November 2021, until it was cancelled on 18 January 2022 – the premiums for which are owed by Mr P
- Consider Mr P's November 2021 claim
- Pay him a total of £1,000 compensation – but they can deduct the premiums owing and any compensation previously paid from this figure
- Send Mr P a letter confirming what deductions have been made from the £1,000 compensation figure
- Update any internal and external databases to ensure any record of cancellations have been removed
- Send Mr P a letter of indemnity to explain the two cancellations of his policy was due to Admiral's error not his, so he can show it to future insurers

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 19 September 2023.

Jon Pearce  
**Ombudsman**