

The complaint

Mrs B and Miss B have complained about the fact Admiral Insurance (Gibraltar) Limited failed to properly update Miss B's licence details under a car insurance policy when she passed her driving test.

What happened

Mrs B called Admiral to let them know Miss B had passed her driving test on 6 July 2022. She has provided a schedule showing the details for a policy covering the small car Miss B drove were updated to show this. It seems that on 7 July 2022 Admiral contacted Mrs B and suggested she cancelled this policy as the car was also covered under another policy she had with Admiral. She agreed to do this, although she mentioned she didn't think her multi-car policy (the other policy that would cover the car) started until October 2022. On 14 September 2022 Mrs B received a letter from the police saying the small car Miss B drove wasn't insured. Mrs B phoned Admiral straight away to check this and was told by two advisers that it was insured. She then spoke to a third adviser who said it wasn't insured. And this adviser said she could pay £24.99 to have the multi-car policy the car was to be insured under brought forward. She agreed to this and complained to Admiral. Admiral eventually upheld her complaint, refunded the £24.99 and paid a further £275 in compensation for distress and inconvenience.

In March 2023 Mrs B telephoned Admiral about the insurance on another car covered under the multi-car policy. On this call she was told that DVLA had flagged to Admiral that the licence details for Miss B were incorrect on the policy. Mrs B updated the licence details again and paid £88.20 to reflect this for the rest of the policy year. Mrs B complained to Admiral about their failure to update Miss B's licence details on 6 April 2023. They replied the same day saying that they were unable to uphold the complaint, as they had no record of Mrs B telling them about Miss B's change of licence in July 2022.

Mrs B and Miss B then asked us to consider their complaint about Admiral the same day and provided a complaint form. In the complaint form they only mentioned the issue of the small car Miss B drove being uninsured due to Miss B incorrectly being told to cancel the policy for it. She said she thought they were entitled to receive up to £1,500 in compensation for the distress this had caused them.

One of our investigators considered Mrs B and Miss B's complaint about Admiral's failure to properly update Miss B's licence details after Mrs B called in July 2022. However, she did not consider Mrs B and Miss B's complaint about the small car becoming uninsured. She said that Mrs B must have told Admiral about Miss B's change of licence in July 2022 as she had provided a schedule dated 6 July 2022 showing Miss B as having a full licence, which they clearly had not considered. However, she said she felt that because Mrs B and Miss B had saved premium in the period where her licence details were wrong, they should not receive any compensation for the distress and inconvenience they'd experienced as a result of Admiral's error regarding the licence.

Mrs B wasn't happy with the investigator's view and asked for an ombudsman's decision. Our investigator then checked with Mrs B that she did only want an ombudsman to consider

her and Miss B's complaint about Admiral's failure to update Miss B's licence details. Mrs B confirmed this. And our investigator issued a further view, which was sent to both Mrs B and Miss B and Admiral. In this she said Admiral should pay £100 in compensation for the distress and inconvenience Mrs B and Miss B had experienced as a result of Miss B's licence details not being updated. She gave both parties until 28 September 2023 to respond to this. Neither party has responded, so the investigator has passed the complaint to me for a final decision.

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 agree with our investigator that Mrs B must have told Admiral about Miss B's change of licence on 6 July 2022 because they clearly issued a schedule on the policy for the small car she drove showing this. I think what must have happened is that these details were not moved across to the multi-car policy when Mrs B cancelled the policy for the small car. And it's a shame Admiral didn't pick this up when Mrs B complained.

I appreciate this did result in Mrs B saving on premium, as it was more to cover Miss B as a full licence holder. And I'm also satisfied that if she'd had an accident Admiral would have provided full cover for her. However, it was frustrating for both Mrs B and Miss B to find out an error had occurred and Miss B's licence details were incorrect on the new multi-car policy. So, I agree with our investigator that this warrants a further compensation payment of £100 for the distress and inconvenience Mrs B and Miss B experienced.

Putting things right

For the reasons set out above, I consider the fair and reasonable outcome to Mrs B and Miss B's complaint is for Admiral to pay them £100 in compensation for distress and inconvenience.

My final decision

For the reasons set out above, I uphold Mrs B and Miss B's complaint and order Admiral to pay them £100 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Miss B to accept or reject my decision before 26 October 2023.

Robert Short
Ombudsman