

The complaint

Mr S says Admiral Insurance (Gibraltar) Limited offered him an inflated renewal price for his motor insurance policy, and also provided poor service, having put the wrong details on his driving record.

What happened

Mr S was told by Admiral his premium would rise substantially at renewal in September 2023. When he queried it and looked for other insurance, he found Admiral had recorded incorrect details on the Claims and Underwriting Exchange ('CUE') database about an incident where a cyclist hit Mr S's stationary car. It was recorded as his car having collided with the cyclist, causing a personal injury claim. Mr S said he had to make many attempts to have the CUE record amended by Admiral. And he said when he queried the proposed rise in the 2023 premium, Admiral's advisors couldn't explain to his satisfaction why they were able to give him a discount of £112 on the renewal price Admiral had quoted initially.

When Admiral issued a final response letter in reply to Mr S's complaint, it acknowledged that he'd had to spend a lot of time contacting it and that it had recorded the wrong details on CUE. It offered Mr S £80 for poor service and said the CUE record had been corrected. Admiral didn't agree that the increase in Mr S's premium was unfair, and it said although it had offered a discount, Mr S had chosen not to renew the policy.

One of our investigators reviewed Mr S's complaint. She thought Admiral had acted reasonably. She said it had given us details of the way it rated factors in deciding what renewal premium to charge and that Mr S had been treated in the same way any other consumer would have been in his circumstances. In her opinion, the CUE record didn't really affect Mr S, as Admiral corrected it before the renewal date, giving him the chance to find insurance elsewhere based on the correct details of his driving history. She thought £80 was fair compensation for the time Mr S had spent getting Admiral to correct the record.

Mr S said Admiral hadn't addressed the CUE record quickly and had argued it was correct – then that it couldn't be changed – before finally changing it. He also said that Admiral told him the discount on the premium was offered because of new information he'd given it, which wasn't the case. And he objected to Admiral factoring incidents, as well as claims, into its premium calculations.

As there was no agreement, the complaint was passed to me for review. I issued a provisional decision upholding the complaint along the following lines:

- Although Mr S doesn't think reported incidents should be recorded if a claim isn't made, it's standard industry practice for insurers to record all reported incidents. We think that's fair and reasonable, if the incident is recorded accurately (as notification only) so a consumer's no claims discount ('NCD') isn't affected. If the consumer then looks for quotes elsewhere, other insurers - having checked CUE - will be able to base their quotes for cover on the consumer's true driving history.

- Here, the records Admiral created weren't correct. It accepts that it recorded an incident as 'insured hit cyclist' (causing a personal injury claim) when in fact, a cyclist collided with Mr S's stationary car - and no claim at all was made. It also recorded wrongly another incident he'd reported (when his car was damaged by a third party whilst it was parked) as a claim, when no claim was made. Both incidents were rated as claims, which meant the renewal premium in 2023 was far greater than Mr S could reasonably have expected. Numerous other factors would also have led to the increase, but Admiral accepts that the quote would have been lower but for its errors.
- Mr S didn't renew the policy in 2023, after trying to deal with the situation by querying it with Admiral and by making a complaint. I've listened to the calls between Admiral and Mr S at the time, and it's clear he was passed around between various teams and was given inaccurate and confusing information by Admiral's advisors. In particular, the incident in 2023 was repeatedly referred to as a claim by the advisors, and they told Mr S that the inaccurate details recorded by Admiral couldn't be changed. I can only imagine how frustrated Mr S must have been by having to spend so much time and effort trying to resolve these issues against such resistance.
- Admiral eventually corrected the records and offered Mr S a £112 discount on the renewal premium. It said that was based on new details he'd provided, but the notes of a webchat on 16 August 2023 show that an advisor told him at that point the sum was a loyalty discount. Mr S doesn't like the practice of discounting premiums only if a consumer objects to the initial premium quoted, but we can't review an insurer's business practices (it's an issue for the industry regulator, the Financial Conduct Authority). But Mr S shouldn't have been given the wrong reason for the discount.
- Admiral told us recently that when reviewing its records and calculations, it had realised that Mr S was due a refund £79.61. It seems that had yet to be sent to him, so we asked Admiral to attend to the issue straight away. And (as stated above) it has also said the renewal premium would have been lower, based on the correct information. Mr S *may* have accepted a lower quote (which would have saved him the trouble of arranging alternative cover) although it isn't possible to know for sure what he would have done, given his overall poor experience of Admiral's service.

In my opinion, £80 is insufficient to compensate Mr S for the upset and inconvenience he faced as a result of Admiral's poor service. I think £200 compensation in total would better reflect his experience.

Mr S accepted my provisional view, and Admiral didn't comment on it.

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.

As neither party has disputed my provisional findings, there's no reason to depart from them. So, for the reasons stated above, I'm upholding Mr S's complaint and I require Admiral to pay him £200 in total compensation. Admiral asked us in March 2024 whether it should pay the £79.61 refund in premium at that point, and we said it should. If by any chance that hasn't yet been done, Admiral should pay the refund to Mr S now.

My final decision

My final decision is that I uphold this complaint. I require Admiral Insurance (Gibraltar)

Limited to pay Mr S £200 in total for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 May 2024.

Susan Ewins
Ombudsman