

The complaint

Mr G complains about how Admiral Insurance (Gibraltar) Limited administered his motor insurance policy. He wants a refund and compensation.

What happened

Mr G told Admiral about a change in his card used to pay his premium and it updated its records. Mr G was later due a refund of premium and so Admiral sent this to the card he had used most for his payments. Mr G was unhappy with this as the card was no longer in use.

After the complaint came to us, Admiral offered to refund the money by cheque or by bank transfer if Mr G provided evidence that the money hadn't already been received. But Mr G was unhappy with this as he felt the mistake was Admiral's. He said the error had caused him financial difficulties.

Our Investigator didn't recommend that the complaint should be upheld. She thought Admiral had acted within the policy's terms and conditions when it sent the refund. And she thought its offer to put things right was very fair and reasonable. So she didn't think it needed to do anything further.

Mr G replied that Admiral had told him that his refund would be processed to the card from which the payment was made. He also said he'd asked Admiral to delete his old card details and it should have complied with this request under the relevant law. Mr G asked for an Ombudsman's review, so his complaint has come 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.

Mr G explained that he needed the refund from Admiral in order to pay his annual renewal. I can understand that he feels frustrated that Admiral returned the money to his previous card. And I was sorry to hear that he has been caused financial difficulties and stress.

I can see that it's agreed that Mr G told Admiral about the change in card. And it's also agreed that Admiral returned the funds to the previous card. But Admiral said it didn't make a mistake in doing this.

Our approach in cases like this is to consider whether the insurer's acted in line with the terms and conditions of the policy and fairly and reasonably. Mr G's policy states under General Conditions 5 on page 28 of the policy booklet:

"Payment of your premium and/or other charges, If you are due a refund, we will credit the bank account or card used to pay for most of the policy premium."

Mr G said that a call handler told him that the refund would be returned to the card from which the payment had been made. But I think this was incorrect. When Admiral processed Mr G's refund of premium it told him in writing:

“We will refund the payment to the method used to pay the majority of the premium as explained in your policy booklet under ‘General Conditions of your cover’. This follows guidelines to help prevent money laundering and fraud.

In the event of the account being closed, you will need to contact your bank or card provider to discuss your refund. If they are unable to trace the refund, please contact us as we may be able to assist further”.

After Mr G complained, Admiral again explained to Mr G that this was done in order to prevent money laundering and fraud, and in compliance with relevant regulations. I think it's for Admiral to decide on its procedures or systems, and I can't require it to change these as long as it's treating all consumers the same, and fairly and reasonably.

And Admiral also told Mr G that his card provider hadn't rejected the payment and that he should contact the provider to locate the funds. So I think Admiral complied with its policy and procedure and it reasonably provided Mr G with advice about how to locate his funds. So I don't require it to pay Mr G any compensation.

But after the complaint came to us, Admiral offered to act outside its procedures to resolve Mr G's complaint. It offered to return the money by cheque or by bank transfer if Mr G provided evidence that he hadn't received the money. This was because the payment hadn't been rejected by the card provider. It said Mr G could provide a bank statement or a letter from the card provider to show this.

I think this is a very fair and reasonable offer which would reasonably restore Mr G's position. I can understand that Mr G feels this to be onerous, but think Admiral made its process reasonably clear in the policy documents and in its correspondence. And I think it's for Mr G to decide how best to proceed to locate his money.

Putting things right

I require Admiral Insurance (Gibraltar) Limited to pay the refund by cheque or by bank transfer if Mr G provides evidence that he hasn't received the money.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to carry out the redress set out above, as it's already offered to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 16 September 2024.

Phillip Berechree
Ombudsman