

The complaint

Mr P has complained about the way he was treated by Admiral Insurance (Gibraltar) Limited after he contacted it about an incident he was involved in with a third party while driving his van. He was insured under a Van Insurance policy with Admiral at the time.

Mr P is represented by Ms B.

What happened

The background to this complaint is well known to Ms B, Mr P and Admiral. In my decision, I'll focus on giving the reasons for reaching the outcome that I have.

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.

Having done so, in the main I agree with the conclusions reached by the investigator and have decided to uphold Mr P's complaint and make Admiral do what I've set out below for these reasons:

- I am satisfied the £50 in compensation paid for poor communication in relation to the Subject Access Request made by Ms B is fair.
- I agree Admiral could have been more proactive in reinstating the policy after it cancelled it due to thinking Mr P wanted to make a claim. And I'm also not convinced Admiral sent notice of the cancellation to Mr P, as it hasn't provided sufficient evidence to prove this. However, Mr P didn't actually end up driving his van uninsured, so while it would have been distressing for him to find out he was uninsured, I do not think he should be compensated for the fact he may have ended up driving uninsured. But I do think he should be compensated for the distress and inconvenience of finding out his van wasn't insured.
- I am satisfied that Mr P did lose earnings as a result of Admiral's failings. Admiral's communication and actions led him to believe his van had been marked as a total loss and therefore he didn't feel he could risk driving it. This means he had to cancel a seminar he was due to run and I consider it most likely he lost £4,400 because of this. So, I think it is fair and reasonable for Admiral to pay him this amount in compensation for this loss of income. Mr P may have saved a small amount in fuel by not driving his van to the venue. But, as I think this saving would have been negligible, I have decided it is unnecessary to make a deduction to reflect this; especially as it seems likely that Mr P would have had his fuel costs covered by the organiser of the seminar. Mr P should also be compensated for being without these funds by Admiral adding interest to the £4,400.
- Mr P did have to take out a new policy after his policy was cancelled. However, I have not seen sufficient evidence that this cost more than what Mr P would have had to pay anyway for a new policy when his policy with Admiral expired. But Mr P shouldn't be out of pocket. So, Admiral must make sure Mr P has received a full pro rata refund on the policy it cancelled. This is because it should not have cancelled it and Mr P shouldn't have lost the benefit of it running its full term. And Admiral must not deduct a cancellation

fee from this refund. If it hasn't paid the refund already, it must add interest to it at 8% per annum simple from the date it cancelled the policy to the date of payment. And if it has paid the refund but it deducted a cancellation fee, it must reimburse this, plus interest.

- I agree that as the third party has made a claim against Mr P his no claim bonus should be affected. But, if the third party claim is settled as non-fault his bonus will need to be reinstated.
- I agree Admiral did not properly appreciate the impact of its communication and actions on Mr P and this needs to be reflected in the compensation he receives for distress and inconvenience. However, I'm satisfied there was no intention on Admiral's part to discriminate against him, even if it felt like it was doing so to Mr P.
- As there is a third party claim against Mr P Admiral's records and any central databases for recording claims have to reflect this. But Admiral should make sure its records and the central databases show Mr P didn't claim for the damage to his van.
- While I have no doubt Mr P had no real option other than to incur SASS costs, I do think Admiral should have the opportunity to consider the evidence of these Mr P has provided. But, unless it can show they are abnormal or unreasonable it should reimburse them, plus interest.
- I'm satisfied a further payment of £250 in total in compensation for the distress and inconvenience Mr P experienced due to Admiral's failings is appropriate. This reflects Admiral's failure to realise Mr P didn't want to claim for his van and it's unnecessary appointment of a salvage agent. It also reflects the fact it led Mr P to believe it had written his van off and the unnecessary cancellation of his policy. This award is in line with the sort of award we would normally make for this level of distress and inconvenience. This payment is on top of anything Admiral has already offered and/or paid.

Putting things right

For the reasons set out above, I've decided to uphold Mr P's complaint and make Admiral do the following:

- Pay Mr P a further £250 in compensation for distress and inconvenience. Admiral must pay this compensation within 28 days of the date on which we tell it Mr P accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.*
- Pay Mr P £4,400 for loss of income, plus interest on this amount at 8% per annum simple from 12 May 2023 to the date of payment.*
- Provide Mr P with a pro rata refund of premium for the policy it cancelled without deduction of a cancellation fee if it has not provided this refund already. If it has not provided this, it will need to add interest at 8% per annum simple from the date it cancelled Mr P's policy to the date of payment.*
- If it did pay a pro rata refund when Mr P's policy was cancelled but deducted a cancellation fee it should reimburse this, plus interest at 8% per annum simple from the date it deducted it to the date of payment.*
- Ensure its records and any central databases reflect the fact Mr P did not make a claim for his vehicle.
- Consider the evidence Ms B has provided for the SASS costs Mr P incurred and pay these if they are reasonable. Admiral must also add interest at 8% per annum simple on what it pays from the date Mr P paid the fees to the date of payment.*

* Admiral must tell Mr P if it has made a deduction for income tax. And, if it has, how much it's taken off. It must also provide a tax deduction certificate for Mr P if asked to do so. This

will allow Mr P to reclaim the tax from His Majesty's Revenue & Customs (HMRC) if appropriate.

My final decision

I uphold Mr P's complaint about Admiral Insurance (Gibraltar) Limited and order it to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 25 September 2024.

Robert Short
Ombudsman