

The complaint

Mr G, represented by Mr G snr, complains that his motor insurance premium with Admiral Insurance (Gibraltar) Limited (Admiral) increased when he passed his driving test when he says he was told it would stay the same.

What happened

Mr G snr obtained a quote for motor insurance from Admiral including Mr G and his car on a multi-vehicle policy. At the time Mr G was driving on a provisional licence. Mr G snr says Admiral told him the premium wouldn't go up when Mr G passed his test. They took out the insurance. However Mr G snr says that when he told Admiral Mr G had passed his driving test, the premium did go up. Mr G snr also says he was given a figure for the entire new premium, which then turned out to be in addition to the existing premium.

Mr G snr wasn't happy about this and complained to Admiral. Admiral said that when someone drives on a provisional driving licence they will always be accompanied by another experienced driver. Once they pass their test they will be able to drive alone for the first time, which increases the risk to the insurer. Admiral said during the first phone call when Mr G snr enquired about adding Mr G to the policy, the staff member asked what type of licence Mr G held. Upon being told it was provisional the staff member read out the standard script "Just to let you know as you/your named driver are/is a provisional licence holder you will need to let us know when you/they become a full licence holder. It is likely that your premium will increase following this change". Admiral said Mr G snr replied, "That's fine".

Admiral said when Mr G passed his test Mr G snr spoke with a customer care representative who advised him the premium was likely to increase and explained why. Upon making the change, the agent advised this would create an additional premium and told Mr G snr the amount. Admiral said Mr G snr then said he had been advised by the previous agent that the price he had been given at this previous point had been based on Mr G passing his UK license. Admiral said from listening to the first call this wasn't correct.

In response to the second point that Mr G snr was given a figure for the entire new premium, which then turned out to be in addition to the existing premium, Admiral said the agent didn't make an error or attempt to mislead Mr G snr.

Mr G snr wasn't happy with Admiral's response and complained to this service. Our investigator didn't uphold his complaint. He said having listened to the first call he found that Mr G snr was told it was likely the premium would increase when Mr G passed his test, to which he replied, "That's fine". So the investigator was satisfied Admiral did make Mr G snr aware the premium would likely increase once Mr G obtained a full UK driving license.

The investigator said he also listened to two subsequent calls. In the first call Admiral advised Mr G snr that as Mr G had passed his driving test, the policy would need to be updated. Mr G snr was told this would create an additional premium, that would be spread over the remaining policy on monthly repayments. The advisor then quoted a premium if Mr G snr was to be removed as a named driver on Mr G's vehicle. In the next call Mr G snr said he wanted to proceed with just Mr G as a policyholder, without Mr G snr being a named

driver. Admiral gave a quote which Mr G snr accepted however, when advised this was in addition to the previous provisional premium Mr G snr cancelled the policy. The investigator said that, given Mr G snr had been told on the previous call that Mr G's policy would increase if it was updated to reflect a full driving license, he had enough information to have reasonably known the change in license was going to create an additional premium on the second call. Ultimately, Mr G and Mr G snr weren't under any obligations to accept the quote so the investigator said he couldn't say they were treated unfairly or unreasonably.

Mr G snr wasn't happy with what the investigator said so his complaint has been passed to me. Mr G wants the extra premiums he paid refunded.

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 don't uphold Mr G's complaint. I'll explain why.

It is clear from listening to the first call that Mr G snr told Admiral that Mr G hadn't yet passed his driving test, and Admiral said in response: "Just to let you know, as he is a provisional license holder you will need to inform us, you will need to let us know, when they become a full license holder. It is likely the premium will increase following this change" to which Mr G snr replied, "That's fine". There was no mention of what the premium would be once Mr G passed his driving test.

It is clear from listening to the second two calls that Mr G snr told Admiral that Mr G had passed his test and Mr G snr was told the premium would increase. Mr G snr was told what the additional amount would be and that it would be spread over the remaining policy term in monthly instalments. Mr G snr expresses his dissatisfaction with this, saying he had been told in the original call the premium would remain the same.

The advisor then quoted what the premium would be if Mr G snr were to be removed as a named driver on Mr G's policy. Mr G snr wasn't happy with this and asked that Mr G's car be removed entirely which Admiral said they could do once Mr G provided authority.

Admiral provided a recording of the follow up call. Mr G snr said he now wanted just Mr G as a policyholder, without Mr G snr being a named driver. Admiral told Mr G snr what the cost would be and he accepted. However, when Mr G snr was told this was in addition to the existing premium he expressed dissatisfaction and asked for the policy to be cancelled.

Mr G snr says Admiral just told him what the total price of the policy would be, not that this would be in addition to the premium for Mr G to be insured with his provisional licence.

I accept that Admiral didn't at first state specifically in this second call that the amount quoted was in addition to the provisional premium. However, given that in the previous call the discussion was about what would be the extra premium in addition to the premium for Mr G with a provisional licence, I think Mr G snr could have reasonably known the amount being discussed here was also in addition. In any event I don't think Mr G or Mr G snr were disadvantaged in any way as they didn't actually take out the policy at the new price as, once Mr G snr realised what the new premium would be, he cancelled the policy.

I think that Admiral acted fairly and reasonably and didn't mislead Mr G or Mr G snr, so I won't be asking Admiral to pay Mr G anything

My final decision

For the reasons given above I don't uphold Mr G's complaint. So I won't be asking Admiral Insurance (Gibraltar) Limited to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 26 November 2024.

Sarah Baalham
Ombudsman