

The complaint

Miss W and Mr W are complaining about the premium Admiral Insurance (Gibraltar) Limited (Admiral) were charging for the renewal of their motor insurance policy. They also complain they were misled into taking out the insurance policy and with issues with the no claims bonus (NCB).

Mr W is representing both himself and Miss W in this complaint and so for ease I have referred to Mr W throughout.

What happened

In 2022 Mr W took out a MultiCar motor insurance policy with Admiral. Mr W was unhappy with the premium Admiral were looking to charge for the 2024 renewal and so he raised a complaint with Admiral.

Admiral considered Mr W's complaint but didn't uphold it. It didn't think it had made an error in the premium it had offered. Mr W didn't think this was reasonable and so bought his complaint to this Service. Mr W said he was told by Admiral when he took out his policy it wouldn't substantially increase his premium in the future. He also said Admiral had offered his daughter additional years NCB as an incentive to take out the policy but this wasn't being accepted by any other insurers.

Our investigator partially upheld Mr W's complaint. She said she hadn't seen anything to suggest Admiral had treated Mr W unfairly in relation to the premium it had offered. She said the call recording when Mr W purchased the policy was no longer available, but she didn't think Mr W would have taken different action. She said Admiral should send Mr W's daughter an accurate proof of NCB, discounting any additional years Admiral had offered as an incentive.

Mr W disagreed with our investigator. He said he was misled by Admiral into taking out the insurance policy initially and his daughter has been disadvantaged due to no other insurer accepting the proof of NCB. Admiral also disagreed with our investigator. It said it had provided the correct proof of NCB and so didn't believe it had made an error.

I issued a provisional decision and I said the following:

'I want to acknowledge that I have summarised Mr W's complaint in less detail than he has presented it. I've not commented on every point that he has raised. Instead I have focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mr W and Admiral that I've read and considered everything that's been provided.'

Mr W is unhappy his annual premium increased by over £2,000 at his 2024 renewal.

I should state that this Service isn't a regulator. So it's not our role to direct Admiral generally about how it chooses to conduct its business or sets its premiums. But I can look at whether it has treated Mr W fairly.

Admiral has provided this Service with confidential, business sensitive information to explain how it calculated the premium it charged Mr W. As this is commercially sensitive I won't be able to share this information with Mr W, but I've considered it carefully. Having done so, I'm satisfied Admiral charged a premium in line with what it would have charged other customers in Mr W's position.

When calculating premiums insurers will consider a number of factors, as Admiral have done. At each renewal Admiral will carry out a new risk assessment and so it's not unusual for a premium to increase as a result. As I've explained, it isn't for me to tell Admiral what factors it should take into account when assessing risk, how it should go about this assessment, nor the premium it chooses to apply to the risk. This is ultimately a business decision and isn't something we would usually think it's fair to interfere with. As Admiral have shown the premium it offered Mr M is in line with what it would have offered other customers in Mr W's position I can't say it has acted unreasonably in the renewal price it offered.

Mr W has said he was misled into taking out the policy with Admiral in the first instance. He said he was told by Admiral it wouldn't significantly increase the premium in the future.

Admiral have said the call recording from when Mr W purchased his policy is no longer available. As this call is no longer available I have considered what I think most likely happened. I think it would be unusual for an insurer to promise premiums wouldn't increase in the future as this isn't something it can know. However I'm not saying Mr W wasn't told this.

On balance, I think even if Mr W hadn't been promised his premiums would increase significantly in the future, it's most likely he would have still taken out this policy with Admiral.

When taking out this policy Mr W was satisfied with the premium Admiral were charging at that time. Even if Mr W's premium increased in future, he would have the option of seeking a policy elsewhere. And so whilst I acknowledge if Mr W was told his premium wouldn't significantly increase in the future, it would have been disappointing for him when his premium increased, I think he would have been in the same position he is now regardless.

Mr W has said as an incentive to take out the policy with Admiral, it offered to increase his daughter's NCB from 3 years to 5 years. He said he wasn't told this wasn't transferrable to other insurers and now other insurers won't accept his daughter's proof of 5 years NCB Admiral have provided. Admiral have said they have correctly applied the NCB.

Based on the evidence provided I don't think Admiral offered to increase Mr W's daughter's NCB. Admiral have provided a proof of no claims discount for Mr W's daughter, from another insurance company, from 2022 which shows Mr W's daughter as having 3 years NCB. Admiral have said Mr W provided this to it as proof of his daughter's NCB when he first purchased his policy and so this is the NCB it applied to the policy. Based on this evidence it doesn't appear any additional years of NCB were offered by Admiral.

As Mr W's daughter had 3 years NCB in 2022, it is correct she would have 5 years NCB in 2024, which is what Admiral have provided proof of. I can't say Admiral have provided incorrect information about the NCB and don't think it needs to provide any additional proof of NCB. Mr W has said the NCB can't be correct as his daughter hasn't been driving for this length of time and no other insurers will accept the proof of NCB. I can't say this is the fault of Admiral. It was provided evidence in 2022 Mr W's daughter had accrued 3 years NCD and so it wasn't unreasonable it applied this to the policy. Admiral don't have control over how other insurers view Mr W's daughter's NCB.

I understand Mr W has been struggling to find a new affordable insurance policy for his

vehicle. Whilst naturally I sympathise with Mr W, I can't hold Admiral responsible for how other insurance companies choose to price its policies.'

Admiral didn't respond to my provisional decision. However Mr W has said he didn't agree. Mr W has provided a detailed response but in summary has raised the following:

- He said he wouldn't have taken the policy with Admiral had he known the premiums would increase by such a vast amount given the inconvenience of moving his family to a multicar policy.
- He is unhappy Admiral have deleted the calls from when he purchased the policy and questioned the retention period for calls of this nature.
- His daughter initially joined Admiral in October 2022 and the policy renewed in April 2023. Admiral provided his daughter with a one year NCB for this period. Other insurers will not accept this additional year NCB and Admiral didn't make him aware of this.
- His daughter should be reimbursed for the amount she initially paid for her policy and issued with a certificate for the correct number of years NCB.

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've taken Mr W's comments into account, but I've come to the same conclusion as I did in my provisional decision.

I appreciate Mr W is unhappy the calls he had with Admiral have been deleted and I understand his frustrations. However the role of this Service isn't that of a regulator. It isn't the role of this Service to comment on call recording retention periods or impose fines or penalties if this isn't adhered to. The call recordings aren't available and so I've had to base my decision on what I think was most likely to have occurred during these calls.

As I've said I think it would be unusual for an insurer to promise premiums wouldn't significantly increase as it cannot know this. In any event, I'm not persuaded Mr W would have taken a different action had he not been told this for the reasons I've explained before. And whilst I know Mr W has said he wouldn't have joined Admiral had he known the premiums would increase by such a vast amount, there was no way to know what the premiums would have been in the future. It's also been widely documented motor insurance premiums have increased and so I think it's unlikely Mr W would have found himself in a different position to the one he finds himself in now.

Mr W's daughter was provided a year NCB for the period between October 2022 and April 2023. Admiral have said anyone who is insured for a period of 90 days will be entitled to a year NCB and so I'm satisfied Miss W's daughter has been treated the same way anyone else in her position would have been. I appreciate Mr W has said Admiral should have made him aware other insurers wouldn't accept this proof of NCB, but I can't say Admiral needed to do so. It provided Mr W's daughter with the number of years NCB she was entitled to and it wasn't to know how other insurers would treat her proof of NCB in the future.

However Admiral have said it can provide Mr W's daughter with four years proof of NCB if she requests it. I'm satisfied this is reasonable but can't say it was an error for Admiral to have provided Miss W with five years proof of NCB previously.

It wouldn't be reasonable to expect Admiral to provide a refund of Mr W's daughter's premium as this premium was to provide cover under a motor insurance policy which was received.

My final decision

For the reasons I've outlined above I don't uphold Mr W and Miss W's complaint about Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W and Mr W to accept or reject my decision before 23 December 2024.

Andrew Clarke
Ombudsman