

The complaint

Miss D is unhappy with the way Admiral Insurance (Gibraltar) Limited handled a mid-term adjustment on her motor insurance policy.

Miss D has been represented by her father, Mr D.

This complaint involves the actions of agents for whom Admiral is responsible. Any reference to Admiral includes its agents.

What happened

Miss D held motor insurance with Admiral. In January 2024, Admiral wrote to Miss D to invite her to renew. Miss D had recently started a new job, so she contacted Admiral to confirm this. The change led to a premium increase of £106.40 for the remaining period of cover, which was around 18 days.

Admiral charged this to a card in Mr D's name. Mr D tried to contact Admiral to complain. He said he'd let Miss D use his card once, in June 2023, to pay for an increase in her mileage. He said this was a one-off. He said he's not a customer of Admiral, but it had charged his card anyway. He also said Miss D's renewal premium had increased by 30%.

Admiral investigated the complaint and responded to Miss D. It said the increase was because of Miss D's new job. It thought it had made this clear. It said it had written to Miss D to confirm the payment was due and that it would charge the payment details it held on file, which were the same as those used in June 2023. It also said its claims data shows that drivers with Miss D's new occupation, compared to her old one, have a higher risk of claiming. It also pointed to an increase in the price of goods of services.

Mr D didn't receive Admiral's final response so he referred the matter to the Financial Ombudsman. As Mr D is not Admiral's customer, he's not an eligible complainant under our rules. So the complaint was changed into Miss D's name.

Our investigator looked into the complaint. She said Miss D had updated the payment details on her account in June 2023 and she didn't think it was unfair for Admiral to use those details again. She thought Admiral had made this clear. She also thought Admiral had shown that it had calculated the additional premium and the renewal price correctly and fairly.

Mr D didn't agree with our investigator's view and asked for an ombudsman's review. Because Mr D didn't agree, the matter has been passed to me to make 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.

Having done so, I'm not upholding the complaint for broadly the same reasons as our investigator. I've focused my comments on what I think is most relevant. If I haven't commented on a specific point, it's because I don't believe it affects what I consider to be the right outcome.

Admiral's use of Mr D's debit card

I've considered the points Mr D has made about Admiral charging his card. I'm not persuaded that Admiral has acted unreasonably in doing so. Admiral has shown that Miss D updated the payment details on her online account in June 2023, when she provided Mr D's card details. I appreciate Miss D may have thought this was for a one-off payment, but Admiral has shown that she overrode the previous details when she added Mr D's card.

Admiral also confirmed the payment details it had on file when it wrote to Miss D to invite her to renew her policy. The payment details shown on the renewal invite matched those given by Miss D in June 2023. The invitation also advised Miss D that:

"These details will also be used for any future additional premium, refund or renewal and to collect any outstanding amount ... Please check the details above and if you are not the account holder, please advise the account holder of this arrangement."

So, I think Admiral made Miss D aware of the payment details it held on file, and that these would be used for future payments.

I've also read the webchat transcript where Miss D told Admiral about her new job. The agent confirmed that an additional premium of £106.40 was due for the remaining time on cover, and the agent said Admiral would write to Miss D to confirm the details. The agent also said the renewal payment would be taken from "the card details provided". While the agent was talking about the renewal at this point, and not the additional premium, the agent gave Miss D part of the card details Admiral held for her to verify. Miss D didn't challenge this. I appreciate the renewal payment was taken from a different card in the end, and not from Mr D's. However, Admiral has shown that a different card was provided when Miss D phoned Admiral in February to complete the renewal.

I've also seen a copy of the email that Admiral sent to Miss D following the webchat. This confirmed that an additional premium was due because of Miss D's change of occupation, and it advised that:

"This means a balance of £106.40 is due, which we will debit from the payment details we hold on file on, or shortly after, 30/01/2024."

Admiral has shown that this email was delivered to an email address matching the one we hold for Miss D. So, I think Admiral gave fair notice that the charge was coming.

Mr D has said his debit card had expired. But the expiry year shown on the renewal invite Admiral sent to Miss D was 2027. I don't know why this would be. But, considering all the evidence I've discussed above, I'm satisfied that Miss D entered the payment details that Admiral went on to use, that those payment details worked and that Admiral gave Miss D reasonable notice of what those details were and that it intended to use them for the £106.40 charge. So, I don't think Admiral has acted unfairly or unreasonably.

I appreciate my outcome will be disappointing, especially for Mr D. He has explained how the matter has affected him. It's clear how frustrated it has made him feel and how inconvenient it's been trying to sort things out.

However, even if I took a different view and thought that Admiral shouldn't have charged Mr D's card, the money would still be due. I also wouldn't be able to award compensation to Mr D because he's a personal representative. Miss D is the eligible complainant under our rules, so I could only award compensation to her. I haven't seen enough evidence to show that Admiral charging Mr D's card has caused Miss D meaningful distress and inconvenience, to the extent that compensation would be the fair answer.

I'm sorry this isn't the outcome Mr D and Miss D were hoping for. But I'm satisfied Admiral has dealt with the matter fairly.

Additional premium and price increase

I should explain that the role of the Financial Ombudsman when looking at complaints about insurance pricing is not to tell insurers what they should charge or to determine the right price for the policies they offer. This is a commercial decision that insurers are entitled to make. But we can see whether we think a consumer has been treated fairly, or whether there's anything to show they've been treated differently or less favourably.

Admiral charged Miss D an additional £106.40 for around 18 days of cover before her renewal. Mr D says this cost £5.91 per day, or the equivalent of an additional £2,157.15 over the policy year. He's compared this to the renewal where the change of occupation only added an additional £526.86, or £1.44 per day.

Admiral has provided confidential, business-sensitive information to explain how the additional premiums and the renewal were calculated. This includes how Miss D's policy was rated and the specific loadings that have led to the increase. This forms part of Admiral's pricing model so it applies to all policies. I think this is important, because it shows that the pricing model Admiral used to make these calculations was the same model as would be used for other customers in the same circumstances.

I'm afraid I can't share this information with Mr D because it's commercially sensitive. Even so, I hope Mr D can feel reassured that I've checked it carefully and I'm satisfied the additional premiums and the renewal were calculated correctly and fairly. I've seen no evidence to suggest Miss D was treated differently to other Admiral customers in the same circumstances.

In view of the calculations Mr D has done, I understand why he's concerned that Admiral has overcharged Miss D. Admiral has shown how and why the increase was larger for one policy year and not the other. The relevant loadings were applied to different policy years and two separate contracts, which each had their own underwriting considerations. I'm afraid I can't share the specifics, and I appreciate this may not be a satisfying answer. But I can assure Mr D that I haven't seen any evidence to suggest Admiral has made a mistake in its calculations. And it isn't for me to tell Admiral how much is too much to charge.

Whilst I can't share the specifics of Admiral's risk model, Admiral has demonstrated that the rising price of claims, due to inflation in the market, was a factor. Admiral, like all insurers, will review its approach to risk and this will result in price changes. Mr D will appreciate that rising costs in the insurance market are well publicised, and often feed into higher premiums. I haven't seen any evidence to suggest Miss D has been singled out by this.

Once again, I'm sorry to give Mr and Miss D unwelcome news. But I'm satisfied that Admiral has acted fairly and reasonably – so I won't be asking it to do anything further to resolve this complaint.

My final decision

For the reasons set out above, I do not uphold Miss D's complaint about Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 16 January 2025.

Chris Woolaway
Ombudsman