

The complaint

Mr F is unhappy that Admiral Insurance (Gibraltar) Limited automatically renewed and charged him for his motor insurance policy, for several years, without properly notifying him, despite him having sold the car.

Reference to Admiral includes its agents or representatives.

What happened

The details of this complaint are well known to both parties, so I will not repeat them again in full detail here. But to briefly summarise, Mr F took out a policy with Admiral in 2020. Mr F sold his car in 2021, but his policy with Admiral was automatically renewed in 2022, 2023 and 2024 before he realised and complained. Admiral didn't accept it had made any errors but refunded the premiums it collected from 2022 onwards as it was satisfied Mr F hadn't needed those policies.

An investigator at the Financial Ombudsman Service considered Mr F's complaint but didn't think it should be upheld. He said Admiral made it sufficiently clear that the policy would be automatically renewed and that it had contacted Mr F each year to inform him about this. The investigator was satisfied that by refunding the premiums it had, Admiral had done enough to fairly resolve the complaint.

Mr F didn't accept our investigator's opinion. So, as no agreement has been reached, the complaint has been passed to me to decide.

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, while I appreciate it will likely come as a disappointment to Mr F, I agree with the conclusions reached by the investigator. I'll explain why.

The sales literature provided to Mr F when he first took out the policy made it clear that his policy would be automatically renewed each year:

"Important information about your Policy Renewal

Unless you contact us we will automatically apply for your renewal premium from the payment details you have already provided, shortly after your renewal date. This is to make sure there is no interruption in your insurance cover."

Admiral has provided evidence of its system notes, to demonstrate that renewal paperwork was emailed to Mr F using the details he provided when taking out the policy, in advance of each of the subsequent renewals. These renewal packs set out details of the card which would be charged and gave Mr F sufficient notice to prevent the policy from renewing should he have wished to:

“Your Renewal

Are you happy that all your details are correct, and do you want to renew?

If so, we’ll automatically renew your policy using the payment details below. Please contact us before [date] if you decide not to renew your policy...”

I appreciate Mr F feels there was an onus on Admiral to check that he still owned the car before renewing his policy, but I don’t agree. By sending out timely and clear notification of its intention to automatically renew, and offering Mr F sufficient time to prevent this if he wanted, I’m satisfied Admiral met its obligations to him.

Given that Mr F sold the car in 2021, it’s clear he had no use for the policies he purchased in 2022, 2023 and 2024. Admiral has accepted this and refunded the premiums for those policies. I consider this to be a fair and reasonable way to put things right.

Mr F wants Admiral to pay interest on the refund amount, to compensate him for the lost opportunity of having that money to use for other things. But I’d only consider it fair to award interest on that amount, if I was satisfied that Mr F was deprived of the use of those funds because of something Admiral did wrong. And in this case, I don’t think Admiral did anything wrong, for the reasons already explained.

In summary, I don’t think Admiral treated Mr F unfairly or unreasonably in the way it sold or renewed his policies. And I’m satisfied that by refunding the premiums Mr F paid for the years after he sold the car, Admiral has done enough to fairly resolve this complaint.

My final decision

For the reasons I’ve explained above, I don’t uphold Mr F’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr F to accept or reject my decision before 17 March 2025.

Adam Golding
Ombudsman