

## **The complaint**

Mrs S complains about the decision of Admiral Insurance (Gibraltar) Limited to proportionately pay her motor insurance claim due to her having not disclosed a speeding offence.

## **What happened**

Mrs S' car was stolen in August of 2024 and when considering her insurance claim Admiral identified that she had a speeding fine which she had not disclosed when renewing her policy. As a result, Admiral applied a percentage reduction to her claim. Admiral explained that if it had been aware of the speeding offence when renewing her cover it would have charged higher premiums. Using the rules established by the Consumer Insurance (Disclosure and Representations) Act 2012, known as CIDRA, it decided to pay her claim but to reduce the amount paid by the same percentage as she had underpaid in her premium. This was based on its decision that the failure to disclose the offence was only careless as opposed to being deliberate.

Mrs S was unhappy and complained. Admiral maintained its position, pointing to a number of years in which Mrs S had failed to notify it of the speeding fine, which represented a change to her circumstances. It said that she had been sent insurance documentation every year which asked her to confirm its records that she had no such offences.

Mrs S complained to this service. Our investigator concluded that Admiral had acted fairly, and within the rules of CIDRA, when deciding to reduce her payout. Unhappy with this outcome Mrs S has asked for an ombudsman to consider her complaint.

## **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 do not uphold this complaint against Admiral. I agree that it has acted fairly in how it's concluded this claim. I know that Mrs S will be disappointed by my decision as she has lost out by around £4000 but I will explain my reasoning.

Admiral and our investigator explained the rules of CIDRA to Mrs S. In summary, CIDRA requires consumers to take reasonable care not to make a misrepresentation when taking out a consumer insurance contract (a policy). The standard of care is that of a reasonable consumer.

And if a consumer fails to do this, the insurer has certain remedies provided the misrepresentation is - what CIDRA describes as - a qualifying misrepresentation. For it to be a qualifying misrepresentation the insurer has to show it would have offered the policy on different terms or not at all if the consumer hadn't made the misrepresentation.

CIDRA sets out a number of considerations for deciding whether the consumer failed to take reasonable care. And the remedy available to the insurer under CIDRA depends on whether the qualifying misrepresentation was deliberate or reckless, or careless.

Admiral thinks that Mrs S failed to take reasonable care not to make a misrepresentation when she failed to notify it of her speeding offence when renewing her policy since the offence occurred. And specifically in not doing so for the renewal for the year in which this claim was made.

I've looked at the information provided by Admiral. This includes copies of the renewal documents sent to Mrs S every year since her speeding fine. On each occasion she was specifically asked to check the key details that Admiral held and to provide any updates. This, crucially, had a section showing that she had no motoring offences or fixed penalties within the last 5 years. These are the details previously provided to the insurer by the customer and the basis upon which the renewal, and the price for it, are offered. Admiral takes the view that the failure to notify it of the speeding offence is a misrepresentation under CIDRA.

Mrs S disputes that view. She argues that in March 2024, when she received the renewal proposal for the year in question, she telephoned Admiral to discuss the premium as she was concerned about the total price. She explains that during the call she was asked whether her circumstances had changed and she answered that they had not. She argues that at no time during the call was she specifically asked about previous years or about speeding fines. As a result Mrs S feels that she hasn't failed to take proper care as she hasn't been asked the appropriate questions.

Having listened to the call it's clear that Mrs S is focussed on getting her premiums reduced and shows a good recollection of her personal details such as her previous claims. She specifically mentioned that she had recently obtained an alternative online quote which would presumably have needed her to reflect on and answer questions about her personal details, including historic motoring offences.

But, whatever Mrs S's understanding was about the question she was being asked, the fact remains that she had failed, over several years, to properly update Admiral about her fixed penalty when asked the specific question, in every year's renewal documents. It should be remembered that it was on receipt of the latest year's renewal documents that she called Admiral to discuss the price, so the information was again presented to her just days before the call.

It's my conclusion that Mrs S failed to take proper care to provide relevant information when asked by Admiral over a number of years, culminating in her latest renewal and the resulting call.

Admiral has provided proof that speeding fines issued within the last five years have an impact on the pricing of its policies. Mrs S fixed penalty was issued in October 2020 so was within the 5 year period which Admiral used when setting its premium for this policy in March 2024.

This means that I'm satisfied that Mrs S' misrepresentation was a qualifying one.

Admiral have taken the view that Mrs S' misrepresentation was careless, rather than deliberate or reckless. I'm satisfied with that conclusion and so I've looked at the actions Admiral can take in accordance with CIDRA.

In such cases CIDRA allows the insurer to reflect the changes that would have been made

to the policy had there been no misrepresentation, and the relevant information had been available at the time the policy was offered. In this case, Admiral has provided proof that it would have offered Mrs S the policy but at an increased premium. As there is now a claim to pay, CIDRA allows Admiral to pay the claim proportionately, that is, to reduce the claim by the same percentage as the premium has effectively been underpaid. The evidence provided by Admiral confirms that the percentage reduction that Admiral applied to Mrs S's claim properly reflects the percentage by which she underpaid for her insurance for the year in question.

In summary, it's my decision that Admiral has acted within the rules laid down by CIDRA in all respects and has not treated Mrs S unfairly in how it handled her claim.

### **My final decision**

I do not uphold this complaint against Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 25 March 2025.

John Withington  
**Ombudsman**