

The complaint

Mr B complains about Admiral Insurance (Gibraltar) Limited (Admiral) cancelling his motor insurance policy.

Any reference to Admiral in this decision includes their agents.

What happened

In April 2024 Mr B took out a motor insurance policy with Admiral, through a comparison website. He was happy with the details and price quoted, but when he clicked to proceed he was directed to call Admiral. When he did so, Mr B was told he hadn't declared an incident in 2023 involving a named driver he wished to include in the policy. While Mr B maintained the claim made against the named driver was fraudulent, Admiral said they were adjusting the quote, increasing it by over £300.

Admiral then emailed Mr B asking he upload additional documents, as an audit had highlighted issues with the details Mr B provided. However, Mr B was about to go on holiday and didn't have chance to provide the documents within the 14-day period requested. He asked the named driver to contact Admiral to cancel the policy. Mr B said he was told that if the policy was cancelled without providing the documents requested, it would be treated as a cancellation on Admiral's terms – but if the information was provided over the phone it would be accepted as a cancellation by Mr B.

Mr B then received a call from Admiral (while he was on holiday abroad) asking him to confirm he wanted to cancel the policy and the reasons. Mr B gave slightly different details to those provided by the named driver. However, the agent said they thought the policy was taken out with false information or a broker used to take out the policy. Mr B denied this was the case. He offered to provide the requested documentation and also answered several questions asked by the agent.

However, Admiral then wrote to Mr B to say he'd provided incorrect information on the policy, which may have been due to it being set up by a third party of a broker not authorised by Admiral. They said they'd set up the policy based on details recorded in answers Mr B provided to questions he was asked. He was asked to check the details and tell them if any were wrong (which he didn't do). Admiral said that any misrepresentation of information could result in them cancelling or avoiding the policy. Admiral said they were cancelling the policy, with effect from the beginning of May 2024. They referred to a General Condition of the policy about providing true and accurate information. They said all premiums paid on the policy would be refunded (providing no claim had been made under the policy).

Mr B challenged the cancellation of his policy by Admiral and how the matter had been handled by the call handler from their data validation team. So, he complained to Admiral.

Admiral didn't uphold the complaint. In their final response they said they didn't think there were any errors in the service they'd provided. But they did offer £25 as a goodwill gesture. They said after investigation there were a number of discrepancies in the policy taken out by Mr B and that in the call with their data validations team member, the information did not match up. And their agent followed the correct validation process.

Mr B then complained to this Service, unhappy at the cancellation of his policy and Admiral's response. He said the information he'd provided matched that in his policy documents. He said the situation had caused him significant financial and mental distress at a time he was sitting professional examinations. He'd been unable to obtain alternative insurance, as the quotes were significantly higher which he couldn't afford. He wanted Admiral to reverse the cancellation, reinstate his policy and remove any record of the cancellation.

Our investigator didn't uphold the complaint, concluding Admiral didn't need to take any action. He thought Admiral had taken action to cancel the policy based on what Mr B and the named driver said and provided when taking out the policy and the remedies available to them under the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). Having reviewed the calls between Mr B (and the named driver) and Admiral, together with the information provided by Mr B when taking out the policy, the investigator concluded the named driver had purported to be Mr B and gave contradictory answers about the vehicle Mr B was looking to insure and Mr B's circumstances.

The investigator also concluded Admiral wouldn't have offered the policy had they had complete information, which was why they sought to clarify matters with Mr B. As they were still unclear about the answers and information provided by Mr B, the investigator thought Admiral had acted fairly and reasonably in (effectively) treating Mr B's answers as a qualifying misrepresentation under CIDRA. While they could, under CIDRA, have avoided the policy from inception and retained the premiums, they cancelled the policy and returned the premiums, which would have had a less significant impact on Mr B. As Mr B had presented incorrect information to Admiral, it was reasonable for them to cancel his policy, rather than allow Mr B to cancel it.

Mr B disagreed with the investigator's view and requested that an ombudsman review the complaint. He maintained Admiral cancelled the policy based on an allegation false information may have been used to take out the policy or that a broker had been used. He provided information he said showed he provided information in line with the policy details and information provided in the calls with Admiral. While accepting some differences between the answers provided by him and the named driver on the calls with Admiral (and that the named driver had called in his name), he maintained the agent on the calls had acted unfairly and misrepresented the information provided by himself and the named driver. And he hadn't provided false answers or made misrepresentations, for example on the arrival date in the UK of one of his parents (also a named driver on the policy) and the reason for his wanting to cancel the policy.

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.

My role here is to decide whether Admiral have acted fairly towards Mr B.

The key issue in Mr B's complaint is whether Admiral acted fairly and reasonably in cancelling his policy, due to what they say were discrepancies and inaccuracies in the information provided to them when he took out the policy. Mr B says he provided the information requested and can evidence specific points about his circumstances (and those of the named drivers on the policy).

As the cancellation was the result of Admiral seeking to validate the policy, I've considered their decision to follow this process. Admiral have said the reasons they decided to validate the policy included a previous cancellation by them of a policy held by a named driver. And

there were discrepancies in data entered for previous quotes and that in the policy taken out (the date the vehicle being insured was purchased and the amount of No Claims Discount). Looking at the reasons, I think it reasonable for Admiral to seek to validate the information, including their request for various documents (driving licences, registration document for the vehicle, proof of No Claims Discount and confirmation of policyholder address).

Having written (emailed) to Mr B requesting the documents, Admiral were contacted by someone purporting to be Mr B). The call handler asked various questions, the answers to which didn't match (the year the vehicle was purchased). The call was disconnected, and the agent called the number held for Mr B and spoke to a different person, who confirmed they were Mr B and the person on the previous call may have been a named driver (his brother).

Looking at Admiral's claim notes, they record details of the calls between them and, respectively, the named driver and Mr B himself. The notes record inconsistencies in some answers provided on the first call to those then provided by Mr B (such as the date the other named driver arrived in the UK).

When challenged about the discrepancy by the call handler, Mr B acknowledged the previous call wasn't with him, and that it may have been with his brother. Listening to the earlier call, the caller does not identify themselves as Mr B's brother, giving the impression they were Mr B. I've noted Mr B accepts his brother phoned Admiral but didn't give their identity as his brother.

Following the calls, the claim notes record the outcome that Admiral decided to cancel the policy due to concerns the policy may have been taken out by a broker and there were too many inconsistencies in the information provided at different points.

In their letter cancelling the policy, Admiral refer to General Condition 9 of the policy, which they said states the following:

"You must always answer our questions honestly and provide true and accurate information. If you, any other insured person or anyone acting on your behalf:

- Provides us with false, exaggerated or misrepresented information*
- Submits false, altered, forged or stolen documents*

We will take one or more of the following actions:

- Amend your policy to show the correct information and apply any change in premium*
- Cancel your policy with immediate effect*
- Declare you policy void...*

Provided no claim has been made during the period your insurance has been in force, all premiums paid on the policy will be returned to the payment details used already on the policy within 10 working days of the cancellation date."

Considering the sequence of events set out above, I don't think Admiral acted unfairly and unreasonably in exercising their right under the policy to cancel the policy and refund the premium paid. They had been provided with inconsistent information on several points and they had been led to believe they were speaking to Mr B when, in fact, they had been talking to the named driver purporting to be Mr B.

Mr B has provided documentation he says supports his position on various information, but this doesn't change the fact inconsistencies were provided in certain information and Admiral were led to believe they were, at one point, talking to him when they weren't.

Given the General Condition referenced above, then I think a misrepresentation did occur during the process of taking out the policy and its subsequent validation by Admiral.

Under CIDRA, a misrepresentation (if qualifying) means insurers have certain remedies available. In this case, Admiral decided to cancel the policy with immediate effect and refund the premium paid. Which would be a remedy available if a misrepresentation was careless (as opposed to deliberate or reckless, where they could have avoided the policy from its inception and retained the premium). In the circumstance of this case, Admiral could have decided that the misrepresentation of the named driver as the policyholder constituted a deliberate misrepresentation. But their decision was to exercise their right under the General Condition to cancel the policy and refund the premium. As a lesser remedy, I don't think that was unfair or unreasonable.

Taken together, I've concluded Admiral have acted fairly and reasonably, so I won't be asking them to take any further action.

My final decision

For the reasons set out above, my final decision is that I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 April 2025.

Paul King
Ombudsman