

## **The complaint**

Mrs P and Mr P complain about how Admiral Insurance (Gibraltar) Limited (Admiral) dealt with a claim under their motor insurance policy following the theft of their vehicle.

References to Admiral in this decision include their agents.

## **What happened**

In June 2024 thieves broke into Mrs P and Mr P's property in the early hours, found the keys to their vehicle and stole it. Mrs P and Mr P used Admiral's online portal that night to report the theft and lodge a claim.

Early the same morning they received an automated email from Admiral confirming changes to their policy. The email said a change had been made to the policy because a check of Mrs P and Mr P's details had highlighted a 'discrepancy'. The email also said their vehicle had been removed from the policy and as a result of the change, there would be an increase of £121.84 in the premium which would be taken from the payment details Admiral held in two weeks' time. Alternatively, they could cancel the policy.

Mrs P and Mr P found the email vague. Coming soon after having their property broken into and their vehicle stolen, the email added to their distress and confusion. They were also unhappy at how Admiral handled their claim, saying they didn't communicate effectively with them, they'd been transferred multiple times when contacting Admiral for updates and they didn't feel their expectations had been managed properly. So, they complained to Admiral.

In their final response, Admiral upheld the complaint in respect of the issues of Mrs P and Mr P being transferred on calls multiple times, not receiving updates on their claim and their expectations not being managed. But they didn't uphold what they took to be the issue of the increase in premium. Admiral said the increase was due to the loss of the multicar discount following removal of the stolen vehicle from the policy. Admiral added that should another eligible product (vehicle) be added to the policy, the discount would be re-applied.

On the other issues, Admiral accepted Mrs P and Mr P had been transferred to multiple departments when they called for an update on their claim. While the complexities of claims meant some transfers would likely be needed, the frequency in the case of Mrs P and Mr P was more than to be expected. Admiral also accepted they hadn't communicated with Mrs P and Mr P as well as they should have expected. Admiral also accepted they hadn't kept Mrs P and Mr P informed and they weren't advised of the expected timescales and processes involved in the claim, so their expectations had been poorly managed. In recognition of the shortcomings they'd acknowledged, Admiral awarded £100 compensation for any distress and inconvenience suffered by Mrs P and Mr P.

Unhappy at Admiral's response, Mrs P and Mr P complained to this Service. They described the trauma of having their property broken into and their vehicle stolen, adding that Admiral's email had added to their distress, as had what they considered to be Admiral's lack of clear communication and poor management of the claim. It had left them believing their policy had been voided. They also thought Admiral hadn't provided adequate support to them following

the break-in and they'd had to chase for updates. While Admiral had acknowledged their shortcomings and offered £100 compensation, Mrs P and Mr P didn't think it was adequate given the distress caused to them and their family. They wanted this Service to consider Admiral's communication practices, particularly in sensitive cases like theirs, as well as Admiral's claim handling processes and their failure to provide timely updates and manage their expectations.

When we requested Admiral's business file as part of our investigation of the complaint, Admiral made a pro-active offer to settle the complaint. Having reviewed the case they accepted the email sent to Mrs P and Mr P was unclear in its content, in particular the wording about a 'discrepancy'. Admiral said they understood receiving the email would be distressing at a difficult time. In recognition, Admiral offered a further £150 compensation. They also said they would provide feedback internally about the wording of the email.

Our investigator put Admiral's pro-active settlement offer to Mrs P and Mr P but they rejected it, saying the increased compensation wasn't sufficient in the circumstances (which they thought more serious than a previous complaint where they received a similar level of compensation from Admiral). The email made it seem they were no longer insured due to an error they had made. When submitting the claim, they had set out the circumstances, so Admiral should have been aware of the difficult (vulnerable) position they were in.

Our investigator considered the complaint, concluding Admiral's offer to increase compensation and send internal feedback was fair. He noted Admiral accepted the email was unclear and confusing, and the timing of it being unfortunate, causing additional distress at a difficult time. Admiral also agreed their handling of the claim, including communication, should have been better. And while Mrs P and Mr P said they received similar compensation in a previous complaint they considered less serious, the investigator said they could only consider Admiral's actions in the circumstances of the current case. Considering the circumstances of the case, the investigator concluded the compensation offered was fair and in line with what this Service would have recommended in similar circumstances.

Mrs P and Mr P disagreed with the investigator's view and asked that an ombudsman consider the complaint. They thought the distress and inconvenience caused by Admiral's communication failures and lack of clarity were more significant than reflected in their compensation offer. The timing of their email added unnecessary stress at an already difficult time and their offer didn't fully address the impact on them and their family. Nor had they cleared up the confusion quickly, which took a number of days.

### **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'd first want to acknowledge what Mrs P and Mr P have said about the circumstances in which their property was broken into, and their vehicle stolen. I recognise it would have been very traumatic and upsetting. While acknowledging this, my role here is to decide whether Admiral have acted fairly towards Mrs P and Mr P.

The key issue in Mrs P and Mr P's complaint is the impact of Admiral's handling of the claim, in particular the automated email telling them about a 'discrepancy', that their vehicle had been removed from the policy and there was an increase in premium. Mrs P and Mr P are also unhappy at Admiral's handling of the claim and lack of communication and management of their expectations. For their part, Admiral accept shortcomings in how they dealt with the claim and have offered a further £150 compensation to the £100 offered in their final response.

On the first issue, in particular the automated email sent to Mrs P and Mr P, I've looked at what it says. The particular paragraph at issue states:

*"A change has been made to your policy because a check of your details has highlighted a discrepancy. The information we hold differs from that recorded on contact or documents we have received or on a policy quote or claim from within our group."*

The email goes on to say that Mrs P and Mr P's vehicle has been removed from the policy and there is an *"Increase as a result of this change"* of £121.84 which will be debited from the payment details held on file within 14 days. If they do not want to pay the additional premium, the policy can be cancelled in accordance with the policy General Conditions.

Admiral accept the email was unclear and would have been distressing at a difficult time. I agree. The email doesn't say what the 'discrepancy' is that has been identified, why it is a 'discrepancy' and why it means a change to the policy. Nor does the email say why the vehicle has been removed – coming only hours after the theft occurred and notified to Admiral, it makes no allowance for the possibility the vehicle may have been (or would subsequently be) recovered. Nor is it clear why the removal of the vehicle meant an increase in premium (it was only later clarified its removal meant loss of the multicar discount).

Without adequate explanation, I agree the email would have been confusing and distressing to Mrs P and Mr P, especially given the circumstances of the theft of their vehicle involving the thieves breaking into their property in the early hours of the morning, taking the keys and driving off with the vehicle. Mrs P and Mr P were diligent in logging the incident and claim within an hour or so of the theft, and the email arrived some two to three hours after that.

Looking at Admiral's claim notes, they record an 'Amber' response and one question not matching the policy information (and one question not answered). Which I take to indicate the 'discrepancy' referred to in the email, which I presume was automatically generated from the amber response. The claim notes also record Mrs P and Mr P phoning an hour or so after the email was sent to discuss the claim, and their being transferred on more than one occasion. Admiral also accept shortcomings in their communication and management of Mrs P and Mr P's expectations.

So, the key issue is whether Admiral have acted fairly and reasonably in their response to their mistakes. They've offered additional compensation of £150 to the £100 originally awarded. They've also said they will provide feedback internally about the automated email.

Mrs P and Mr P say this doesn't compensate them for the impact on them and their family. Particularly given their vulnerable state after the break-in and theft. I understand the email would have been confusing and distressing – which Admiral accept – but there's no suggestion it was deliberately sent because of a conscious decision by Admiral or one of their agents. While this doesn't lessen the impact on Mrs P and Mr P, it does reflect the automated nature of Admiral's systems which led to the email being generated and sent. I think it's reasonable for Admiral to say they will provide feedback on this aspect, with a view to considering how their processes operate in these kind of circumstances.

I recognise the circumstances of what happened left Mrs P and Mr P feeling distressed and vulnerable, which Admiral should have taken into account – although they aren't in any way responsible for the circumstances of the theft. Considering their increased offer of compensation in the context of the published guidelines on this Service's approach to awards of compensation for distress and compensation, I think Mrs P and Mr P would have suffered acute stress from receiving the email and then having to contact Admiral to clarify matters and clear up the confusion over the following days.

Taking all these factors into account, then I've concluded Admiral's revised offer of an additional £150 compensation is fair and reasonable (on top of the £100 they originally awarded). So, I won't asking them to make a further award, but they should now pay the additional £150 (again assuming they've paid the £100).

### **My final decision**

For the reasons set out above, it's my final decision to uphold Mrs P and Mr P's complaint. I require Admiral Insurance Limited to:

- Pay Mrs P and Mr P the additional £150 compensation they've offered for distress and inconvenience (on the assumption they have already paid the £100 they offered originally).

Admiral Insurance Limited must pay the additional compensation within 28 days of the date we tell them Mrs P and Mr P accept my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 8 April 2025.

Paul King  
**Ombudsman**