

The complaint

Mr R complains about Admiral Insurance (Gibraltar) Limited's administration of his motor insurance policy.

All references to Admiral also include its appointed agents.

What happened

Below is intended to be a summary of the key issues forming this complaint. Therefore, it isn't a list of every point that has been made.

- Mr R is unhappy with the cancellation of his motor insurance policy.
- He says Admiral cancelled his policy by mistake and following this it quoted a higher price for a new policy.
- Mr R says he subsequently cancelled the new policy, but he has received a notification that an outstanding balance has been passed to a collection agency. He says he attempted to discuss making payments for the outstanding balance in instalments, both before and after the policy was cancelled but these requests were refused by Admiral.
- In its final response to Mr R's complaint, Admiral said it was satisfied it hadn't made an error in how it had handled matters regarding the outstanding balance.
- Admiral said the policy had initially been cancelled in error, but this had been quickly rectified without a break in cover. It said when Mr R took out a new policy in February 2024, it was initially for one vehicle, but the price increased due to Mr R a second vehicle being added.
- It said the outstanding balance is for cover provided for both vehicles from February 2024 until the policy was cancelled around June 2024.
- It said Mr R contacted it in August 2024 regarding difficulties in paying the outstanding balance. It said suspended requests for payment of the amounts on two occasions between August and September 2024, and informed Mr R if he couldn't pay the balance, it would be passed to its collections agency that handles outstanding balances on its behalf. It said it informed Mr R he could arrange a payment plan through its collections agency, but it couldn't arrange a payment plan directly as the policy was cancelled – due to its own internal processes.
- Admiral also said no adverse markers or defaults have been applied against Mr R's name.
- Mr R raised a further matter about a complaint he made not being logged by one of Admiral's agents. Admiral apologised for the poor service in not logging the complaint and offered Mr R £25 compensation for the inconvenience caused.
- Mr R was dissatisfied with Admiral's responses, so he referred the complaint to our service.

Our investigator's view of the complaint

Our investigator didn't recommend the complaint be upheld. She said she had reviewed a breakdown of the pricing for the new policy taken out in February 2024 and was satisfied the pricing increase was due to a second vehicle being added. She also said she was satisfied Admiral had operated within its own established procedures regarding the outstanding balance and had treated Mr R fairly. She also felt the £25 compensation offered by Admiral was fair in the circumstances.

Mr R was unhappy with our investigator's response. In doing so he reiterated that Admiral didn't help him and instead passed the outstanding balance to a collection agency. Marking it as a default.

Mr R said he had requested to set up a payment plan before the policy was cancelled but Admiral hadn't allowed him to do so.

The complaint has now passed to me.

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 do not uphold the complaint for these reasons:

- I can see the original policy was due to renew around January 2024. Mr R said he didn't want the policy to renew automatically. Admiral did make an error, in setting the policy to cancel immediately, rather than on renewal, but I can see this was quickly rectified and that there was no break in cover.
- I've reviewed the breakdown of the pricing of the new policy taken out in February 2024 provided by Admiral. I can see initially the policy was around £1,592, which was cheaper than the previous renewal quote of around £1,842 offered by Admiral on Mr R's old policy. However, I can see a second vehicle was added, increasing the cost of the policy to around £2,170 for both vehicles. So, I'm satisfied the increase in price is not down to an error caused by Admiral but by the addition of the second vehicle.
- Regarding the outstanding balance, I can see the amount has been confirmed to not include cancellation fees but is for cover Mr R benefited from between February and June 2024. I've seen a copy of the letters Admiral issued to Mr R in June 2024. It confirmed there was an outstanding balance. I can see the amount is consistent with subsequent follow up emails sent around the outstanding balance in August and September 2024. Admiral have also confirmed it hasn't added any additional fees – nor have I seen any evidence that persuades me that it has.
- I can see Mr R has raised that he wanted pay for his premium and then later the outstanding balance, by monthly direct debit. I've listened to a call where Mr R had discussed this with Admiral in May 2024. Admiral confirmed it was unable to offer him this option on this policy– and the annual balance would need to be paid. Here I'm satisfied Mr R took out an annual payment policy, as such I don't think Admiral acted unreasonably in explaining he would be unable to change this to a monthly payment later.
- Admiral also said it was unable to offer a monthly repayment option on a annual payment policy, which is why Mr R was unable to pay the outstanding balance in instalments. However, I can also see Admiral put suspensions on Mr R having to make payment between February 2024 and June 2024.

- It also continued to put suspensions on requesting payments after the policy was cancelled in June 2024. And after the policy was cancelled, Admiral informed Mr R he could set up a payment plan with its collections agent. I've not seen any evidence of that defaults or adverse markers have been applied – and I think Admiral followed its recognised approach here and have acted fairly.
- Regarding the compensation offered by Admiral, while our service cannot comment on complaint handling as it doesn't form one of the activities our service can consider (which can be found in the FCA handbook). I do think the £25 compensation fairly reflects the inconvenience caused to Mr R by the poor service provided by Admiral in not logging his request. So, I make no further award here.

My final decision

My final decision is that I do not uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 1 May 2025.

Michael Baronti
Ombudsman