

## The complaint

Mr C has complained that Admiral Insurance (Gibraltar) Limited ('Admiral') had incorrectly made reference to cancellation of his home insurance policy.

## What happened

Mr C considered that Admiral purported to cancel a policy that hadn't been purchased, as he hadn't accepted a renewal offer from Admiral. He thought that the 'cancellation' could impact upon his future premiums with other insurers, and he wanted Admiral to send a letter admitting it had made a mistake.

Having complained to Admiral, Admiral maintained its stance and Mr C referred his complaint to this service. The relevant investigator didn't uphold the complaint. It was his view that Admiral hadn't acted unfairly. As for the level of service provided, he considered the impact was minimal and that an apology was sufficient. He noted that Admiral had now made it clear that reference to 'cancellation' was due to the policy lapsing and not due to it being enforced by the insurer. He also noted that Admiral had made it clear that this wouldn't affect any future policies. In the circumstances, the investigator concluded that Admiral had made a reasonable attempt to reassure Mr C.

Mr C was unhappy about the outcome of his complaint and the case was therefore referred to me to make a final decision in my role as Ombudsman. In early February 2025, I issued a provisional decision for this complaint and explained why I was minded to uphold Mr C's complaint as follows: -

*'I've summarised the submissions of the parties below. I firstly turn to Mr C's submissions. He explained that his insurer had notified him that it was no longer providing home insurance and that his policy would expire at the beginning of August 2024. Admiral then sent a renewal quote after he'd taken out insurance from a different provider. Mr C said he tried to phone Admiral to discuss the matter but was unable to get hold of Admiral. He tried again, but failed, when a second renewal letter arrived.*

*In August 2024, Mr C then received a letter from Admiral to state that a policy had been cancelled, as it said that he'd not spoken to Admiral. He contacted Admiral again, asking what policy had been cancelled, but after speaking to Mr C for 30 minutes, the agent told Mr C to just ignore the letter. Mr C felt that this could affect the cost of future policies. Mr C then wrote to Admiral to outline his concerns. He had to chase this after two weeks and was again told to ignore the letter. He said that 'on pushing the issue' Admiral phoned back to say it couldn't find the policy number, but then found that it related to his previous insurer.*

*In summary, Mr C felt that there needed to be a letter 'undoing' the cancellation letter, as there had never been a policy to cancel in the first instance and that it could affect future cost of insurance for him as; 'all letters etc are now shared across credit and insurance companies'. He felt that the issue had been ignored by Admiral and that it had pushed it around departments; 'in the hope it will go away'. He felt that the least it could have done to resolve the issue was to take responsibility for its actions in misrepresenting the situation and to send a letter saying it had made a mistake in sent the cancellation letter and*

confirming that there was never a cancelled policy. He also wanted Admiral to cease sending the type of letter he'd received to other consumers.

*I now turn to Admiral's response to Mr C's complaint. It said that the policy had been cancelled due to not hearing back from Mr C. In its final response letter in November 2024, it made it clear that this wouldn't affect any future policies as the cancellation was due to the policy expiring. It explained that it was part of its procedure to send a cancellation letter even if the new policy hadn't started.*

*I now turn to the reasons why I provisionally uphold Mr C's complaint. I'm minded to agree with Mr C that Admiral's letter dated early August 2024 naturally caused confusion. It was headed in bold 'Confirmation of Policy Cancellation'. I consider that the word 'cancellation' might reasonably lead the consumer to believe that negative consequences could follow, including a higher price for insurance in future.*

*I've no reason to doubt that Mr C tried to contact Admiral on two occasions after receiving its renewal quote in order to discuss the situation. I also see that he had to chase a response to his concerns. In addition, it appears that in a phone call to chase the matter, Admiral couldn't trace a record of the relevant policy number. I consider that it had been reasonable for Mr C to seek prompt early reassurance in the light of the cancellation letter he'd received, and this wasn't given. He'd had to spend some time and effort to obtain reassurance.*

*I appreciate that Admiral's renewal invitation in July 2024, stated, 'If you decide not to renew with Admiral, do nothing and your...policy will lapse on [time and date].' This particular piece of correspondence was therefore clear; however I consider that the wording of the subsequent 'cancellation' letter caused confusion and was potentially misleading. The wording would have been clear had it repeated the wording of the renewal letter, and referred to 'lapse' of the policy, or 'expiry' of the policy.*

*I note that Admiral's call-handler had been unable to locate the renewal quote. This was unfortunate, and no doubt increased frustration and lack of faith in what was being said by Admiral. Whilst I note that the call-handler advised Mr C to ignore the letter, I can understand that Mr C would have sought further written apology for the wording of its 'cancellation' letter and assurance that negative consequences wouldn't follow if he didn't take up the quote.*

*In the circumstances, whilst Admiral has now apologised to Mr C for the upset caused, I provisionally conclude that it should pay Mr C a modest sum of compensation of £150 for the upset caused by the wording of its letter. This is to include the time and trouble caused to Mr C in having to chase reassurance from Admiral. that there would be no negative impact to his insurance record.*

*My further provisional conclusion is that Admiral's communication should have been clearer, and I commend Mr C's reasonable wish to ensure that other customers are not faced with the same issue in future. In the circumstances, I'd also recommend that Admiral reviews its standard correspondence when a policy lapses so as not to cause any unnecessary concern or confusion for its consumers.'*

In my provisional decision, I also asked both Admiral and Mr C if they had any further comments or evidence which they would like me to consider before I made a final decision.

### **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.

Both Admiral and Mr C accepted the provisional decision. In the circumstances, I'm satisfied that the provisional decision provides a fair and reasonable outcome to the matter, and I uphold Mr C's complaint accordingly.

### **My final decision**

For the reasons given above, I uphold Mr C's complaint and require Admiral Insurance (Gibraltar) Limited to pay Mr C £150 in compensation for the upset and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 21 March 2025.

Claire Jones  
**Ombudsman**