

The complaint

Mrs K is unhappy that Admiral Insurance (Gibraltar) Limited misinformed her about her ability to add another vehicle to her motor insurance policy after a claim. And provided incorrect information in relation to the deduction of outstanding premiums.

What happened

Mrs K's motor insurance cover with Admiral began on 13 June 2024. On the 13 October 2024 her vehicle caught fire and was deemed a total loss. She discussed the claim with Admiral on 16 October 2024 and asked if she could change the vehicle on the policy. Admiral noted Mrs K's question and to keep the file open as she may change the vehicle that week. They then spoke to her on 17 October 2024 where she provided details of her content's loss, a cheque was raised to cover this. Mrs K called for an update on 21 October 2024 and was informed they were near the final review stages. And Admiral provided a further update on 23 October 2024. On 31 October 2024 they advised they were waiting on the deduction of outstanding premium to pull through so they could conclude settlement.

On 1 November 2024 Mrs K called Admiral to advise she had a car ready for change of vehicle. But she was informed they couldn't do this. Mrs K made a complaint, as she hadn't been told about the deduction of outstanding premiums and if she had of been told she would have changed the vehicle earlier and continued to pay for the policy in instalments by direct debit.

Admiral responded on 5 November 2024. They accepted they didn't inform Mrs K about the deduction of outstanding premiums when discussing the claim and noted that it is covered within the policy documentation. They agreed she had been misadvised and explained she could add a new vehicle to the policy as long as it was added 23 days before the end of the policy. They apologised and paid her £200 for the distress and inconvenience caused.

Mrs K referred her concerns to this service as she felt she had lost out on the money that was deducted from her settlement for outstanding premiums. Our investigator didn't feel Admiral needed to take any further action as she had since been able to add another vehicle to the policy and had benefited from it. Mrs K remained unhappy, so it has been passed to me to decide.

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.

The terms and conditions set out the agreement between Mrs K and Admiral. In relation to outstanding premiums following a claim I note they say:

*"Outstanding premium and charges following cancellation
If a claim has been made during the period of insurance, you must pay the full premium and no refund will be given."*

“Payment of your premium and/or other charges

If a claim is made and you have not paid in full, we may deduct the outstanding premium from any claim settlement we make to you. We will not refund premium for changes made to your policy after a claim.”

So, it's clear that Mrs K would still be liable for the outstanding premiums following a claim. And that they may deduct what is owed from any settlement paid.

I appreciate this wasn't brought to Mrs K's attention initially at the time of the claim, and when she asked if she could add another vehicle to the policy so she could continue to pay by direct debit, she was told this wasn't possible. Admiral have accepted they should have been clearer and that they provided incorrect information. They apologised and paid Mrs K £200 for the distress and inconvenience caused. As Admiral have accepted, they made an error, I need to decide if they've done enough to put things right.

Mrs K doesn't think this resolves things, as she had the outstanding premium deducted from her settlement, and feels if they had informed her correctly, she'd have been able to add a new vehicle to the policy and make payments by direct debit to cover the remaining premiums.

I understand that this would have caused distress and inconvenience for Mrs K. However, I think the apology and the £200 Admiral has already paid is sufficient compensation. I say this because Mrs K has told us that she has since been able to utilise the remainder of the old policy and has added a new vehicle to it. So, essentially putting her back in the position she should have been in. And Admiral have confirmed that there were no additional charges associated with this. Whilst she had the outstanding premiums deducted from her settlement, this is something the terms of the agreement allow them to do. I also recognise she couldn't continue to pay by direct debit which was her preferred method of payment. However, I'm not aware of any direct financial detriment that's resulted from it.

Overall, I'm satisfied that Admiral has fairly compensated Mrs K for the distress and inconvenience it caused.

My final decision

My final decision is that Admiral Insurance (Gibraltar) Limited have done enough to put things right, so they don't need to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 31 July 2025.

Karin Hutchinson
Ombudsman