

## **The complaint**

Mr and Mrs L complain that Admiral Insurance (Gibraltar) Limited withdrew cover under their travel insurance policy.

## **What happened**

Mr and Mrs L took out an annual multi-trip travel insurance policy with Admiral. The policy cover period was from 25 April 2024 until 24 April 2025. When taking out the policy, they'd declared Mrs L's previous cancer.

Mr and Mrs L were due to travel abroad between 27 July and 2 August 2024. But unfortunately, Mrs L had been undergoing investigations into a potential new cancer. So, Mr L called Admiral to check if this was something it needed to know about.

Following this, Admiral said it would need to cancel the policy, or remove Mrs L from it, as she was waiting for treatment or investigations for an undiagnosed condition. Unhappy with Admiral's position, Mr and Mrs L brought a complaint to this Service.

One of our investigators looked into what had happened. Having done so, he was satisfied Admiral had acted fairly and reasonably when it withdrew cover for Mrs L. But he noted that Mr and Mrs L could have made a cancellation claim for their upcoming trip. Instead, they bought a new policy and travelled as planned. So, he thought a fair outcome would be for Admiral to reimburse Mr and Mrs L for the cost of the new policy (after deducting the full premium with Admiral) up to the value of the cancellation claim.

Admiral didn't agree with our investigator's recommendation. It said it had told Mr and Mrs L they could cancel the trip, which was in line with the policy terms and conditions, and they didn't do so. Admiral didn't think it would be fair for Mr and Mrs L to have essentially had free cover for their trip.

As no agreement was reached, the complaint 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.

Our investigator has set out the key policy terms, and these are not in dispute, so I don't intend to repeat them again here in full. But in short, Mr and Mrs L's policy required them to let Admiral know about any change in health. And the terms said that this may result in an additional premium, an exclusion on the policy, or the policy being cancelled. In the event the policy was cancelled, the terms said that Admiral would give a pro-rata refund of premium, or Mr and Mrs L could make a cancellation claim for any trip that had already been booked.

I think the change in Mrs L's health was significant enough that she needed to let Admiral know about it – which Mr L did. This is because she was being investigated for a potential new cancer diagnosis. And I'm satisfied that Admiral has shown it has treated Mrs L the same it would any other policyholder in a similar situation when it withdrew cover at this point, for the reasons it did. So, I don't think Admiral did anything wrong in the way that it handled Mr and Mrs L's policy after being notified of the change in Mrs L's health.

I appreciate Mr and Mrs L decided to buy a new policy and go on the trip instead of making a cancellation claim. But this means it's likely that they have reduced Admiral's exposure to loss, as the new policy is likely to have cost less than what Admiral would have needed to pay for a cancellation claim. So, I think a fair outcome is for Admiral to cover the cost of the new policy (but it may deduct any refund it issued for the policy Mr and Mrs L had with it) up to the value of the cancellation claim. It should also add simple interest at 8% on the amount due from a month after Mr and Mrs L bought a new policy until settlement. This would have allowed Admiral some time to review the costs involved and make the payment.

### **My final decision**

My final decision is that I uphold Mr and Mrs L's complaint and direct Admiral Insurance (Gibraltar) Limited to pay for the cost of the new policy Mr and Mrs L took out (it may deduct any refund it issued for the policy with Admiral) up to the amount that would have been due if Mr and Mrs L had made a cancellation claim, subject to receiving the information from Mr and Mrs L to establish what this would have been. It should also add simple interest at 8% on this amount from a month after Mr and Mrs L bought a new policy until settlement\*.

\*If Admiral considers that it's required by HM Revenue & Customs to take off income tax from the interest, it should tell Mr and Mrs L how much it's taken off. It should also give Mr and Mrs L a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L and Mr L to accept or reject my decision before 18 July 2025.

Renja Anderson  
**Ombudsman**