

## **The complaint**

Mr L complained that Admiral Insurance (Gibraltar) Limited (“Admiral”) failed to cancel his cover as instructed, resulting in the involvement of a debt collector, under his home buildings insurance policy.

## **What happened**

In November 2023 Mr L said he gave instructions for his policy to cancel as of February 2024. He received email confirmation from Admiral. He subsequently found his policy hadn’t been cancelled and payments were taken in March and April. Mr L said he was told a refund would be provided and that the matter was resolved. But it wasn’t resolved as he then received calls and text messages from a debt collector.

Mr L said he was caused a great deal of distress by this experience. He was in the process of re-mortgaging and was worried about the impact this could have. Mr L said he’s had experience of a debt situation previously and this unfair action by Admiral affected his mental well-being. Because he was unhappy with its handling of the cancellation Mr L complained.

In its final complaint response Admiral apologised to Mr L and offered him £150 compensation. It explained that system issues had caused the problem he’d described. The business acknowledged that Mr L’s policy should have been cancelled in February 2024. It said it had contacted its debt collector and confirmed there was no debt owed.

Mr L didn’t think this went far enough to compensate him for the distress he’d experienced. So, he referred the matter to our service. Our investigator upheld his complaint. She said the contact from the debt collector, including threats of legal action had been particularly distressing for Mr L given his past experiences. Coupled with Admiral’s failure to stop the debt collector’s contact when it said it would, our investigator thought a higher payment of £300 compensation was fair.

Admiral accepted our investigator’s findings. Mr L didn’t. He said £300 doesn’t reflect the sleepless nights and the full extent of emotional distress he felt. He said the persistent contact from the debt collection agent exacerbated the situation. Mr L said he will accept £1,000 compensation and a formal apology letter. Alternatively, he will accept a year of the highest level of home insurance in settlement of his complaint.

Our investigator didn’t change her view. So, Mr L asked for an ombudsman to consider his complaint.

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.

Having done so I’m upholding Mr L’s complaint. Let me explain.

There's no dispute from Admiral that its system was to blame for Mr L's policy payments not cancelling in February 2024 - as per his instructions. Admiral sent him an email that confirmed it received his cancellation request. The email said the cancellation had been actioned. So, it's clear Admiral was at fault here. My focus is on what Admiral did to put this right.

Mr L noticed that payments had been taken from his bank account in March and April 2024. He contacted Admiral around 18 April. It told him his payments were being refunded. The records show Mr L continued to receive contacts about his account defaulting. I can see that temporary system fixes were implemented by Admiral's agents. This was to prevent further collection attempts and to stop the system contacting Mr L in error.

Admiral's records show it contacted Mr L in early September 2024. It advised him that its system issues hadn't been fixed. It said it would ensure his policy was cancelled from renewal once this was resolved. But this didn't prevent Mr L receiving contact from a debt collection agent instigated by Admiral's systems. I can see that the business explained to Mr L that this was due to the original system error. It has provided evidence to show it contacted the collections agent on 18 December to stop it making further contact. This was the day after Mr L had informed Admiral of the contact he'd received.

I asked Admiral to provide records to show how many times the debt collection agent contacted Mr L, and to clarify what was said. The business said that it didn't have access to the debt collection agent's records. So, I've not been able to consider this further.

I can understand Mr L's distress at being contacted for a debt he didn't owe. Particularly as he'd been told that this matter had been resolved several months ago.

Mr L explained that he was in the process of remortgaging. He hasn't provided evidence to support this, but I have no reason to doubt what he says. However, he hasn't shown that he suffered a financial loss because of the issues he's described. For example, by having to pay a higher interest rate.

That said Admiral's error has clearly caused Mr L some distress. I asked Admiral to demonstrate that it had amended its internal and any external records to show that Mr L's policy was cancelled from when he wanted this to happen in February 2024. Also, that no late or missing payments, or any other adverse payment, had been recorded against him. If it had this could impact on his ability to obtain credit and on the cost.

Admiral responded to show that it recorded the policy as cancelled by Mr L. It said there were seven adverse payment records. But that it had taken action to have these records removed. Based on this there should be no future negative impact on Mr L.

In summary, Mr L did what was expected of him to cancel his policy. He provided plenty of notice for Admiral to act on his instructions. It then took two payments without authorisation because of its system error. A refund was arranged promptly after Mr L pointed out Admiral's error. But this didn't prevent debt collection calls and messages over a period of several months. I can understand that this caused Mr L anxiety. Particularly because of his previous experience with debt. It also caused him some inconvenience given the contact he had to make with Admiral because it failed to process his request correctly. Because of this I think it's fair that the business pays Mr L compensation. I've considered the approach our service takes to such awards, and in these circumstances, I agree with our investigator that £300 is reasonable.

I understand that Mr L wants £1,000 compensation and he will be disappointed with my decision. But in these circumstances when considering the impact this had on him, I do think

£300 represents fair redress. Compensation in the range Mr L has requested is indicated in situations involving a more significant impact over a longer period.

Mr L has also requested a written apology in which Admiral addresses its mistakes and the distress it caused. However, the business apologised for its mistake in the complaint response it sent to Mr L. So, I won't ask it to provide a further apology.

In summary, I don't think Admiral treated Mr L fairly. It's appropriate that it offered an apology and compensation. But this should be increased to £300 in total to acknowledge the distress, anxiety, and inconvenience it caused.

### **My final decision**

My final decision is that I uphold this complaint. Admiral Insurance (Gibraltar) Limited should:

- pay Mr L a total of £300 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 20 October 2025.

Mike Waldron  
**Ombudsman**