

The complaint

Mr R complains that Admiral Insurance (Gibraltar) Limited mishandled his claim on a motor insurance policy.

What happened

According to his driving licence, Mr R was born in 2005 and passed a driving test on about 20 July 2022 when he was 17 years old.

Mr R wanted to insure a car that had first been registered in 2015.

Mr R went onto a price comparison website. He gave an address on a west coast. He got a quote with Admiral for about £2,700.00.

Mr R accepted the quote and took out a policy for the car for the year from 25 July 2022. Any claim for damage (except a windscreen claim) was subject to an excess of £1,300.00.

On 15 August 2022, Mr R reported to Admiral that on 14 August 2022, an accident had seriously damaged the car. Admiral said the car was a total loss.

At Admiral's request, Mr R provided some documents. They included his driving licence with an address in a large city a long way from any coast. The documents also included bank statements showing transactions in and around that city.

Admiral told Mr R that when he took out the policy, he'd misrepresented the address where he kept the car. Admiral said that the premium for the address in the large city would've been much higher. Admiral said that Mr R had paid only about 24% of what the correct premium should've been, so it would pay that proportion of the claim.

Keeping in mind the pre-accident value of the car and the excess, Admiral offered a settlement of less than £250.00. In September 2022, Mr R withdrew his claim. Admiral disposed of the damaged car on Mr R's behalf and accounted to him or his mother for its salvage value.

Mr R was without a car and without car insurance for about two years. In September 2024, Mr R complained to Admiral that it had mishandled his claim.

By a final response dated 9 October 2024, Admiral turned down the complaint. It referred to Consumer Insurance (Disclosure and Representations) Act 2012 ("CIDRA").

By a further final response dated 1 November 2024, Admiral again turned down the complaint.

Mr R brought his complaint to us later in November 2024.

Our investigator recommended in late February 2025 that the complaint should be upheld in part. She thought that at the time of inception of the policy Mr R was living with his father at

the address on the west coast and believed he would be enrolling into an apprenticeship course nearby. She didn't think that Mr R had made a careless misrepresentation.

She recommended that Admiral should:

"settle the claim in full. As Mr R was paid the salvage amount it would be reasonable for Admiral to deduct this amount from the full settlement in line with normal industry practice when calculating a settlement. I also recommend Admiral to pay 8% simple yearly interest on the full settlement amount, from when the proportionate settlement offer was made until the settlement is made to Mr R.

In addition to this I think Admiral should pay Mr R £300 given the distress and inconvenience this situation has caused him."

Admiral provided further information including the questions asked by the comparison website and evidence that on 22 July 2022, Mr R had also asked for quotes based on his address in the large city.

The investigator changed her view.

The investigator didn't recommend in late June 2025 that the complaint should be upheld. She thought that the actions Admiral took were in line with CIDRA.

Mr R disagreed with the investigator's changed opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- Whilst taking the policy, he was discussing his living arrangement and the final answer given to Admiral was the final outcome as to where he would be staying.
- The accident affected his lifestyle.
- The bank statements show transactions after the accident.
- The investigator said that the accident happened in the city. That is incorrect. This factual error undermines the basis of the decision.
- The handling of this matter has had a significant effect on his mental health, causing distress and anxiety over several years.

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.

CIDRA imposes a duty on a consumer to take reasonable care not to make a misrepresentation when taking out or varying an insurance policy. If the consumer makes a misrepresentation which is careless and makes a difference to the insurer, then it is a qualifying misrepresentation under CIDRA.

Depending on what difference it makes, CIDRA give the insurer certain remedies. Where the difference is that the insurer would've charged a higher premium, then the insurer has the remedy of settling any claim proportionately.

The documents Mr R sent to Admiral included a letter from a school in the large city. From that, I find that he was in year 12.

The few pages of bank statements I've seen included transactions at service stations around that city between 11 July and 4 August 2022, so both before and after 22 July 2022. The pages don't cover any of the period after the accident.

Moreover, Mr R passed his driving test on 20 July 2022. That was a significant moment in his life. And he gave DVLA the address in the city.

So I consider that, when Mr R went online on 22 July 2022, he ought reasonably to have known that he would keep the car at the address in the city most of the time.

I'm satisfied that the website asked Mr R a question as follows:

'We need to know where the car is kept. If it will be kept in different locations tell us where it'll be kept most of the time'.

I find that question clear and relevant.

Admiral has shown us evidence that it generated quotes based on the city address. So I find that Mr R had given that address. Admiral says that the quotes were so high that it didn't issue them to Mr R.

However, Mr R also answered the question by giving the address on the west coast. I'm not satisfied that was correct. I find that it was a misrepresentation. And, as I consider that Mr R ought reasonably to have known that he would keep the car at the address in the city most of the time, I'm not satisfied that he took reasonable care to avoid making a misrepresentation.

I accept that, without the misrepresentation, Admiral's quote would've been about four times as high. So the misrepresentation was a qualifying misrepresentation.

I accept that the accident happened near the east coast. From Admiral's file, I've seen that a recovery vehicle based near that coast recovered the damaged vehicle. So I don't agree with our investigator's statement that the accident happened in the large city.

As I've accepted that without the misrepresentation, Admiral's quote would've been about four times as high, I find that CIDRA gave Admiral the remedy of settling the claim in line with the proportion that the quoted premium bore to the correct premium.

I accept that, keeping in mind the excess, the proposed proportionate settlement was so low that Mr R withdrew his claim and asked Admiral to dispose of the damaged car on his behalf.

I accept that the accident and subsequent events have had adverse effects on Mr R, including his mental health, family relationships and affordability of motor insurance.

However, I find that the proportionate settlement was in line with CIDRA. So I don't conclude that Admiral treated Mr R unfairly. I don't find it fair and reasonable to direct Admiral to do any more in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Admiral Insurance (Gibraltar) Limited to do any more in response to this complaint.

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

Christopher Gilbert

Ombudsman