

The complaint

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

What happened

Mr T has said that he used to be a designer, but he became a craftsman in about 2013.

The subject matter of the insurance, the claim and the complaint is a large sports utility vehicle, made by a premium-brand car-maker and first registered in 2016.

Mr T acquired the vehicle.

In early March 2023, a member of Mr T's family committed a road traffic offence for which she got three penalty points on her driving licence.

From at least mid-March 2023, Mr T had a multi-vehicle policy with Admiral.

In August 2023, Mr T committed a speeding offence for which he got three penalty points on his driving licence.

For the year from mid-March 2024, Mr T and Admiral renewed the policy. It covered him to drive the vehicle as policyholder. It also covered his family member to drive the vehicle as a named driver. Any claim for theft was subject to an excess of £200.00.

Mr T didn't tell Admiral his correct current occupation, nor that he and the named driver had penalty points.

Mr T agreed to pay for the insurance by instalments. According to the policy schedule for the vehicle, the cost was as follows:

Insurance Premium	£1,764.79
Insurance Premium Tax	£ 211.77
Credit charge	£ 176.30
Total	£2,152.86

Mr T reported to Admiral that in mid-February 2025, someone stole the vehicle.

Admiral said that the pre-theft value of the vehicle had been £19,611.50.

Admiral said that if Mr T had given it the correct information about his occupation and the penalty points, then it would've charged a higher premium for the year from March 2024. It said that Mr T had only paid about 40% of the correct premium, so it would only pay Mr T about 40% of his claim.

In mid-March 2025, Mr T complained to Admiral that it was under-valuing the vehicle and under-paying his claim.

By a final response dated 8 April 2025, Admiral turned down the complaint.

Mr T brought his complaint to us in early May 2025.

Our investigator didn't recommend that the complaint should be upheld. He thought that Admiral's valuation was fair. He thought that Admiral's actions were in line with Consumer Insurance (Disclosure and Representations) Act 2012 ("CIDRA").

Mr T disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- The circumstances of the claim were unrelated to his job title or penalty points.
- We should consider the financial impact on him of the theft and Admiral's 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.

Pre-claim valuation

Mr T hasn't responded to the investigator's opinion that Admiral's valuation was fair. Nevertheless, I've reviewed it.

The policy defined "*market value*" as follows:

"The cost of replacing your vehicle; with one of a similar make, model, year, mileage and condition based on market prices immediately before the loss happened. Use of the term 'market' refers to where your vehicle was purchased. This value is based on research from industry recognised motor trade guides."

We expect an insurer to assess market value by reference to retail figures in certain trade guides. That's also our starting point. I've noted the make, model, age, specification (including optional extras) and mileage of the vehicle. For that vehicle, I've seen trade guide figures as follows:

Percayso	£18,805.00
AutoTrader	£19,163.00
CAP	£19,200.00
Glass's	£20,060.00

Admiral's valuation of £19,611.50 is close to the highest trade guide figure. And I haven't seen enough additional evidence to persuade me that Admiral's valuation was unfair. I consider that it was a fair valuation that would've been enough to purchase a replacement vehicle in line with the policy terms.

CIDRA

CIDRA imposes a duty on a consumer to take reasonable care not to make a misrepresentation to an insurer when taking out or varying a policy. If a consumer fails to take such care, and the careless misrepresentation makes a difference to the insurer, then there is a qualifying misrepresentation and CIDRA gives the insurer certain remedies.

If the careless qualifying misrepresentation makes the difference that the insurer charges a lower premium, then CIDRA gives the insurer the remedy of a proportional settlement. That is a settlement of the same proportion of the claim as the premium paid bore to the correct premium. That remedy applies if the misrepresentation is careless rather than reckless or deliberate.

Mr T accepts that he hadn't told Admiral of his current occupation or of the penalty points.

Ahead of the March 2024 renewal, Admiral sent him a statement of fact document that incorrectly recorded that he was a designer and that neither he nor the named driver had any penalty points. That wasn't correct.

Admiral told Mr T the following:

"You must check this document carefully because it is your record of the information you have provided and we have used this to assess the risk we are undertaking. Once you have checked this document, if any information is found to be incorrect, please contact us immediately. Failure to notify us of corrections or changes could mean we do not pay your claim, reduce the amount you are able to claim for or even result in your policy being declared void."

From that, I'm satisfied that Admiral asked Mr T to confirm or correct the information he had given for the previous year. Mr T didn't contact Admiral to correct the incorrect information.

So I consider that he made a misrepresentation. Since he ought reasonably to have known his own occupation and penalty points and his family member's penalty points, I find that he hadn't taken reasonable care to avoid making a misrepresentation.

Admiral has sent us (in confidence as is provided for in the relevant rules) its rating tables. From that evidence, I'm satisfied that without the misrepresentation about occupation and penalty points, the correct premium would've been £4,342.25 (net of IPT and charge for credit).

So the misrepresentation made a material difference to Admiral's assessment of the premium. And I'm satisfied that it was fair and reasonable for Admiral to treat it as a qualifying misrepresentation under CIDRA.

I accept Admiral's calculation that Mr T's paid premium of £1,764.79 was 40.64% of the correct premium of £4,342.25. Admiral calculated that percentage of its valuation of £19,611.50 namely £7,970.11, deducted the excess of £200.00 and paid Mr T the balance of £7,770.11.

Notwithstanding that the penalty points and Mr T's occupation didn't increase the risk of theft, his misrepresentation reduced his claim. I'm satisfied that Admiral's proportional settlement was in line with CIDRA and fair. So 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 T to accept or reject my decision before 2 December 2025.

Christopher Gilbert

Ombudsman