

## **The complaint**

Miss E complains about not receiving a refund due on cancellation of her motor insurance policy by her insurer, Admiral Insurance (Gibraltar) Limited (Admiral). Admiral say they issued the refund correctly, but Miss E says she didn't receive it, and Admiral didn't help her trace what had happened to the refund.

References to Admiral in this decision include their agents.

## **What happened**

Miss E had a motor insurance policy with Admiral which was cancelled with effect from 2 April 2025. In confirming the cancellation, Admiral said Miss E was due a refund of £403.36. They said they would credit the refund to the card details they held for Miss E.

However, Miss E didn't receive the refund. She phoned Admiral the following month to find out what had happened. She asked for details of the Acquirer Reference Number (ARN) so she could follow up with her card issuer to find out what happened to the refund. The agent told Miss E the refund had been processed on 3 April and issued the following day, to be credited to the card number details they held for her. In a separate call, Miss E says she was told she would receive a call back, but this didn't happen. Miss E was also told that Admiral wouldn't provide an ARN.

Unhappy at what she was told by Admiral and not receiving the refund, Miss E complained.

Admiral partially upheld Miss E's complaint. In their final response, issued in May 2025, Admiral said their records indicated the refund of £403.36 was processed on 3 April 2025 and successfully issued on 4 April 2025, passing through the payment gateways. So, the refund was completed on Admiral's side. Admiral said Miss E should follow up with her card issuer for clarification. On Admiral's decision not to provide the ARN, they were no longer able to issue ARNs due to their current underwriting policies.

On the issue of Miss E not receiving the callback she was promised, Admiral said when she contacted them, the agent advised they would call her back if necessary. This was incorrect, creating an expectation on Miss E's part that wasn't fulfilled. Upholding this aspect of the complaint, Admiral awarded £50 compensation.

Miss E then complained to this Service. She was unhappy she hadn't received the refund Admiral said they had issued. She'd contacted Admiral several times and had asked for the ARN so her card issuer could trace the refund – but Admiral refused to provide it, citing their policy they no longer issued ARNs. She'd tried raising a chargeback through her card issuer, but this might not be resolved until the start of July, leaving her without access to the refund for nearly three months.

Being in the later stages of pregnancy, the situation had caused her significant stress and anxiety and having to take time off work. She'd also been admitted to hospital with a pregnancy-related issue. She thought the stress had impacted her physical health and mental wellbeing. And she was relying on the refund, so not receiving it meant she'd had to

borrow money to cover essential costs. She felt Admiral should have done more to resolve the situation and confirm where the refund had gone. She also wanted compensation for the stress and financial hardship she'd suffered.

Our investigator didn't uphold the complaint, concluding Admiral didn't need to take any action. After setting out the sequence of events, he noted that having discussed the case with Miss E, she said the card account was closed in January 2025. The investigator concluded that as the card account had been closed before the refund was generated, it could have caused the issues with Miss E not receiving the refund. And he couldn't attribute the issues to Admiral. The evidence indicated Admiral followed their procedures correctly and the issue was caused by the card account being closed prior to Admiral initiating the refund, which was outside Admiral's control. While reaching this conclusion, the investigator thought Admiral's award of £50 compensation was fair.

Miss E disagreed with the investigator's view and asked that an ombudsman consider the complaint. She said Admiral at no point had identified or informed her of any issue with the refund, maintaining the refund had been successfully processed. Having worked in a bank, she knew refunds could still be processed to closed card accounts, typically landing in a holding or suspense account. If the refund didn't 'land' then it would be for the merchant (Admiral in this case) to trace and resolve, not the customer. She'd contacted her card issuer at the beginning of May and was told no refund had been incoming, so she'd had to raise a missing payment with them. But Admiral refused to help her resolve matters. Their refusal to provide the ARN deprived her of how her card issuer could trace the refund. She'd had to initiate a chargeback, which took over two months to resolve.

### **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.

My role here is to decide whether Admiral have acted fairly towards Miss E.

The main issue in Miss E's complaint is that she didn't receive the refund due to her on cancellation of her policy. She says Admiral didn't help her locate the refund and should have provided the ARN to enable her to pursue the matter with her card issuer. Admiral say they processed the refund correctly and it was issued from their end. And they didn't provide ARNs. But they accept a loss of expectation when Miss E didn't receive a call back she was expecting, awarding £50 compensation.

From the sequence of events set out above, it appears that Admiral initiated the refund due to Miss E in accordance with their standard operating procedures. That is, the refund would be credited to the card account details provided by Miss E, used by her to pay the premium for the policy. This is made clear in the letter to Miss E confirming the policy cancellation and the refund due. The letter includes the following statement:

*"We will refund the payment to the method used to pay the majority of the premium as explained in your policy booklet under 'General Conditions of your cover'. This follows guidelines to help prevent money laundering and fraud. In the event of the account being closed, you will need to contact your bank or card provider to discuss your refund. If they are unable to trace the refund, please contact us as we may be able to assist further."*

I think it clear that the refund would be credited to the card account provided by Miss E and this is, as Admiral say, standard practice in the insurance industry. Looking at the policy

booklet *General Conditions* referred to by Admiral, under a subheading 5. *Payment of your premium and/or other charges* there appears the following wording:

*“If you are due a refund, we will credit the back account or card used to pay for most of the policy premium.”*

But there’s also the following message within a text box:

***“IMPORTANT***

*Card payers must contact us if the card account is closed or the cardholder decides to cancel the authority.”*

From what Miss E told our investigator, it appears the card account she held was closed in January 2025. But it also appears she didn’t tell Admiral the card account was closed, as the above policy condition required her to do (and I presume, provide updated or alternative account details).

What this meant was that when Admiral initiated the refund due on cancellation of the policy in April 2025, they used the card account details they held for Miss E – which were the details of the card account closed in January 2025. Admiral initiated the refund and from what they said in their final response, it was successfully issued the following day. Which indicates the funds left Admiral’s account, being directed to Miss E’s card account.

At that point, it isn’t clear where the funds will have ended up (landed). That would depend on the arrangements in place at the card issuer (which appears to be a bank). Miss E says her experience would indicate the funds could have landed in a holding or suspense account. As Admiral say the refund was completed from their end, that would suggest the refund didn’t ‘bounce back’ to them (the equivalent of the refund being rejected) so it seems they wouldn’t have been aware there was a problem, until they were contacted by Miss E.

When Admiral were contacted, they confirmed the refund was processed and issued. Miss E asked for the ARN but Admiral said they could not provide it (per their internal guidance) but offered to provide an internal reference number

From what I’ve seen, it appears the refund was eventually received through a chargeback.

Taking the events as a whole, I’ve concluded the problems arose from the card account originally provided by Miss E to Admiral being closed in January 2025, before the refund was issued by Admiral in April 2025. Miss E didn’t inform Admiral of the closure, so they would not have been aware of the fact and followed their standard procedure by looking to credit the refund to the [closed] card account details they held. Miss E should have informed Admiral of the card account closure, as the policy terms required, so alternative card account details could be provided, and Admiral updated their records. Had that happened, it seems likely the refund would have been processed and credited to Miss E without an issue.

In the circumstances, I can’t hold Admiral responsible for processing a refund to the closed card account and what may have happened to the fund, potentially to a holding or suspense account with the card provider (the bank). In those circumstances the policy terms provide for Miss E to then follow up with the bank (card provider). While Admiral’s procedures didn’t allow for an ARN to be provided, they did offer to provide an alternative reference that may have helped Miss E trace the refund with her bank. So, I can’t conclude Admiral acted unfairly or unreasonably, given the problem arose from Miss E not informing them of the card account closure as the policy required her to do.

While I've reached this conclusion, I have noted Admiral upheld part of Miss E's complaint, that she didn't receive a call back when she had formed an expectation that would happen/ Admiral's complaint notes support the conclusion an expectation would have been reasonably formed by Miss E and I've concluded their award of £50 compensation for a loss of expectation was fair and reasonable and in line with what our Service would have awarded in those circumstances. So, I won't be asking Admiral to make a further award.

### **My final decision**

For the reasons set out above, it's my final decision not to uphold Miss E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 17 December 2025.

Paul King  
**Ombudsman**