

The complaint

Mr Z has complained that Admiral Insurance (Gibraltar) Limited unfairly cancelled his car insurance policy.

What happened

Mr Z bought a car insurance policy with the insurer Admiral. He agreed to pay for his policy in monthly instalments under a credit agreement.

Mr Z missed a payment. Admiral wrote to Mr Z by letter and email to tell him, and to say when it would try to collect the premium again. As it wasn't successful, it wrote again to Mr Z by email and letter to give him notice of its intention to cancel the policy.

After cancellation, Mr Z contacted Admiral to ask it to reinstate the policy. Admiral said Mr Z would need to pay the remaining balance under the policy in full, which Mr Z complained was unfair.

Admiral said it correctly dealt with the cancellation and reinstatement request. So it didn't uphold Mr Z's complaint.

Mr Z asked us to look at his complaint. He was unhappy with the way Admiral handled his complaint. One of our Investigators thought Admiral hadn't done anything wrong.

Mr Z disagrees and wants an ombudsman to decide for the same reasons as his original complaint. He wants his complaint to be considered in line with the relevant rules and guidance given by the Financial Conduct Authority (FCA). He believes he hasn't been treated fairly by Admiral and it hasn't acted in line with industry practice.

So the case 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.

When Mr Z bought his policy with Admiral, he agreed to pay the premium by way of monthly instalments on 25th of each month.

When Admiral didn't receive the payment due on 25 March 2025 by direct debit, it wrote to Mr Z on 3 April 2025 by email and letter. It let Mr Z know of the failed payment and that it would attempt to collect the payment again in 10 days. On 6 April 2025 a default notice was sent to Mr Z. This explained that if the overdue payment cleared by 20 April 2025 no further action would be taken. If not, Admiral would issue a seven day notice of cancellation.

The second attempt to collect the missing payment also failed. So Admiral wrote to Mr Z by email and letter on 21 April 2025 and gave Mr Z seven days' notice of cancellation if the

outstanding premium wasn't paid.

On 28 April 2025 Admiral wrote by letter and email to Mr D confirming it had cancelled his policy.

Admiral has provided screenshots to show the dates and times it communicated with Mr Z by email – and that it also sent its letters by post. I understand Mr Z believes Admiral should have also contacted him by phone and text. But in line with industry practice and our approach, we find it fair and reasonable for an insurer to communicate by two different methods before moving to cancel a policy. Admiral has shown it did this.

Under Mr Z's credit agreement it explained the consequences of missing a payment. It reads that;

"the whole of the outstanding balance on the account will become immediately due and payable: (a) upon notice by us that you are in default under the agreement".

Mr Z has complained about the way Admiral handled his complaint. I note that it issued its final response within three days of Mr Z raising it. Mr Z contacted us to look at his complaint the following day.

This service isn't able to investigate and make a finding on all complaints brought to us.

The rules under which we operate are set out by the regulator, the FCA. These rules are found in the FCA Handbook and are known as the DISP rules.

Among other things, the rules set out what this service can and can't consider. They explain that this service can consider a complaint if it relates to an act or omission by a firm in carrying on one or more of the regulated or other covered activities, or any ancillary activities carried on by the firm in connection with them.

DISP 2.1.4G (3), says carrying on an activity includes, *'the manner in which a respondent has administered its business, provided that the business is an activity subject to the Financial Ombudsman Service's jurisdiction.'*

"Complaint handling" is not a regulated activity or other covered activity, or an ancillary activity. A complaint about complaint handling is not a complaint about a financial service, and so, falls outside of our compulsory and voluntary jurisdictions. So it does not form part of my decision.

I don't find that Admiral has breached any of the FCA Principles that Mr Z has quoted. The evidence shows Admiral has treated Mr Z fairly and as it would any other customer in the same circumstances. Admiral waived the cancellation fee which it was entitled to charge in line with the policy terms. It provided Mr Z with a number of opportunities to contact it about the missed payment before it moved to cancellation. And Admiral set out a number of options for Mr Z if he was experiencing financial difficulty before cancellation, including postponing payment. But Mr Z didn't contact Admiral until after it cancelled the policy.

It is fair and reasonable for a customer to ensure their payments are made on time and to take action where this doesn't happen.

So I think Admiral has acted in a fair and reasonable way. This means I am not asking Admiral to do any more.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 29 December 2025.

Geraldine Newbold
Ombudsman