

## **The complaint**

Mr M complains Admiral Insurance (Gibraltar) Limited (Admiral) unfairly cancelled his motor insurance at the end of the term of cover. And it then incorrectly told him it had avoided his policy from inception, and didn't settle his claim.

Admiral are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As Admiral have accepted it is accountable for the actions of the intermediary, in my decision, any reference to Admiral includes the actions of the intermediary.

## **What happened**

Mr M took out a monthly subscription motor insurance policy. When he was involved in an accident he made a claim.

Admiral told him his policy would be cancelled at the end of the monthly term. It then incorrectly told him his policy was avoided from the start date due to a discrepancy with his address, and due to this it was unable to deal with his claim.

After Mr M complained to Admiral it investigated and told him the discrepancy with his address had been resolved and the policy wasn't avoided from the start. It invited Mr M to contact it should he wish to re-open his claim. It confirmed its decision not to continue to offer him a policy from its expiry date remained, because he no longer fell within its underwriting criteria. It offered him £25 in recognition of its error.

Because Mr M was not happy with Admiral, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said because of the claim delays, and miscommunications regarding the alleged misrepresentation on Mr M's policy, Admiral should increase its offer of compensation for the distress and inconvenience caused to £150.

As Mr M is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

## **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.

### ***Policy cancellation***

Admiral explained the motor insurance cover it offered was short-term cover which was provided as a one off policy or a monthly subscription. Mr M's policy was a monthly subscription. It started on 11 January 2025 and was due to renew on 11 February 2025. Admiral cancelled his subscription at renewal due to his details no longer falling within its underwriting criteria.

I looked at the terms and conditions of Mr M's policy and it says;

*"Our cancellation rights*

*We can cancel your policy at any time by sending notice to the email address provided at the beginning of your policy.*

*If you have a subscription policy and your subscription period is due to end within 7 days, we will not start a new month of cover and your policy will cancel at the end of your current period.*

*We can cancel your policy if you:*

- *Have a claims history that we deem to be a considerable risk".*

I saw Admiral notified Mr M in advance of the expected renewal date, that his policy would cancel. Admiral told him he didn't need to disclose this cancellation because it had simply not offered a renewal.

Although I recognise Mr M feels he was penalised for reporting an accident of which he said he was not at fault for, in good faith, it is a requirement of the policy to report any type of incident regardless of fault. This is standard with all insurance providers.

Admiral's underwriting criteria is confidential and it isn't required to provide detailed information about this to Mr M. However I've seen the underwriting criteria and can confirm Admiral would no longer be able to offer him cover.

Therefore, I have found Admiral fairly cancelled Mr M's policy in line with the terms and conditions of his policy and it ended on 11 February 2025. I therefore don't uphold this part of his complaint.

### ***Policy avoidance***

Admiral cancelled Mr M's policy on 11 February 2025. It was after this date, and during Admiral's claim validation process that it said the address on Mr M's policy was incorrect, and it said it wouldn't have sold the policy with the *correct* address details. It said he had misrepresented his policy. It notified him that it was now avoiding his policy from the start and wasn't considering his claim.

Mr M said he hadn't misrepresented. He confirmed the address he had provided at the start of his policy was correct and he provided evidence he had changed address on the date the accident happened. He said Admiral had left him unknowingly uninsured. He said if he'd been stopped by the police or involved in another incident, he could've faced fines and penalties.

I haven't seen any evidence of Mr M having any issues in which he had faced fines or penalties. I am only able to make a judgment on what has happened and not on what could have happened.

Admiral accepted it had made a mistake and it had incorrectly told Mr M it was going to avoid his policy from the start. It updated its records to show the policy was not avoided from the start. It apologised for any inconvenience it had caused. Because cover was in place for a month between 11 January 2025 and 11 February 2025 it told him it was able to proceed with his claim subject to its standard claims' validation checks. In recognition of its error it awarded him £25 compensation.

Mr M said although Admiral had corrected his records, there had been an interim effect when obtaining alternative cover. However as his record was corrected in March 2025 any new insurer will be able to amend the premiums retrospectively.

Nevertheless, I don't think Admiral's apology and offer of £25 is enough in this case. I think this should be increased to £150 to take into account its failure to undertake a thorough investigation before incorrectly recording a policy misrepresentation for a short period of time, and for the delay this caused in the progression of Mr M's claim.

Mr M has said his car remains unrepaired, however he was informed in March 2025 if he wished to continue with his claim he should contact Admiral.

Therefore, I uphold Mr M's complaint.

### **Putting things right**

I require Admiral to pay Mr M a total of £150 compensation (less anything already paid).

### **My final decision**

For the reasons I have given I uphold this complaint.

I require Admiral Insurance (Gibraltar) Limited to pay Mr M a total of £150 compensation (less anything already paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 October 2025.

Sally-Ann Harding  
**Ombudsman**