

The complaint

Mr R complains that Admiral Insurance (Gibraltar) Limited (“Admiral”) mishandled a claim on his motor insurance policy and unfairly cancelled that policy.

What happened

Mr R had a driving licence issued in a Commonwealth country. Under driving laws applying in Great Britain, it was a non-exchangeable foreign licence.

Mr R entered the UK on about 16 October 2023.

In about May 2024, Mr R acquired a car that had first been registered in 2006.

For the year from 5 June 2024 Mr R took out an Admiral policy for that car. He paid a deposit or first instalment of about £220.00 and agreed to pay eleven further monthly instalments of about that amount.

Under driving laws applying in Great Britain, his foreign licence permitted Mr R to drive for a year after he entered the UK, that is until about 16 October 2024.

Mr R reported to Admiral that on about 8 November 2024, he’d been driving in Great Britain when his car was damaged in an accident involving a third party.

By an email dated 15 January 2025, Admiral said that it was declining to deal with Mr R’s claim and it was cancelling the policy with effect from 22 January 2025.

Mr R complained to Admiral that it wasn’t acting fairly.

By a final response dated 10 July 2025, Admiral turned down the complaint.

Mr R brought his complaint to us in late July 2025.

Our investigator didn’t recommend (on 10 September 2025) that the complaint should be upheld. She thought that Admiral had acted in line with the terms of the policy when they refused the claim and cancelled the policy.

Mr R and Admiral each provided further information.

Our investigator still didn’t recommend (on 25 September 2025) that the complaint should be upheld. She still didn’t think that Admiral had done anything wrong as it had acted in line with the policy terms.

Mr R disagreed with the investigator’s opinions. He asked for an ombudsman to review the complaint. His representative says, in summary, that:

- Admiral had visibility of Mr R’s licence type and UK entry date at inception. It follows that they knew or ought reasonably to have known that the licence would expire mid-

policy.

- Despite this, Admiral issued a policy extending well beyond the expiry date, continued to collect premiums, and only initiated cancellation reactively following a claim.
- Mr R misunderstood the licensing rules.
- If Admiral intends to rely on specific terms to justify cancellation and claim rejection, it must demonstrate that those terms were not only sent but also acknowledged and accepted by the policyholder.
- There is no evidence that Mr R confirmed receipt or acceptance of the policy terms.

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.

I'm satisfied that in early June 2024, Admiral got Mr R's acceptance of its policy terms before it issued the policy. It then issued a welcome letter and documents to Mr R including a 'Motor Proposal Confirmation'.

I don't accept Mr R's representative's assertion that Admiral should've done more to make sure that Mr R had received and accepted the policy terms on which it later relied.

The Motor Proposal Confirmation contained the following information:

'Licence type:

*Non Exchangeable Foreign Licence **

...

**Drivers are covered to drive up until 12 months of becoming a UK resident, once the 12 months have been reached, cover under this policy for any driver without a UK licence will be invalid.*

Please refer to DVLA guidelines on how to exchange the licence; information and contact details will be available on their website. You must immediately inform us when the licence has been updated'.

So Admiral knew that Mr R had a licence that would only cover him to drive in Great Britain up to the anniversary of his arrival in the UK. And in the context of a policy for a term of one year, it was almost inevitable that the term would extend beyond the anniversary of Mr R's arrival in the UK.

From the wording in the Motor Proposal Confirmation that I've quoted, I'm satisfied that Admiral did enough to remind Mr R that his driving licence and the policy would only cover him until the anniversary of him becoming a UK resident, after which Admiral would not cover him without a UK licence. I don't accept that Admiral shouldn't have issued a policy for a year expiring in June 2025.

I don't accept Mr R's representative's assertion that Admiral knew (when it issued the policy) the date of Mr R's arrival in the UK.

So I don't accept that Admiral ought reasonably to have known that the anniversary would fall on about 16 October 2024. And I don't accept his argument that Admiral ought to have made a diary entry so that, as that anniversary approached, it could issue a reminder to Mr R that he needed a licence.

I consider that the onus was on Mr R to get a licence to drive in Great Britain. The need for a licence was fundamental. So the expiry of the validity of his licence wasn't just a change that Mr R needed to notify to Admiral.

Rather, that expiry and his continued driving engaged the following policy term:

“General exceptions

We will not pay for any loss, damage or liability directly or indirectly caused or contributed to by:

1. Your vehicle being:

a...

b. driven by anyone who does not hold a valid driving licence or who is breaking the conditions of their licence”.

As Mr R was driving his vehicle without a valid driving licence when the accident caused damage to his vehicle and potential liability to the third party, I don't consider that Admiral treated Mr R unfairly by declining his claim for damage to his vehicle and indemnity against any claim from the third party.

Further, the expiry of the validity of Mr R's licence and his continued driving also engaged the following policy term:

“General conditions

...

4 Cancelling your policy...

Our cancellation rights

We can cancel your policy at any time by sending seven days' notice in writing to your last known address if:...

you ignore or fail to comply with any of the General exceptions”

So, as Mr R was driving his vehicle without a valid driving licence when the accident caused damage to his vehicle and potential liability to the third party, I don't consider that Admiral treated Mr R unfairly by giving seven days' notice and cancelling the policy.

I understand that Admiral's actions in declining the claim and cancelling the policy will have caused Mr R financial loss and worry.

However, I haven't found that Admiral's actions treated Mr R unfairly. 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 R to accept or reject my decision before 9 February 2026.

Christopher Gilbert

Ombudsman