

The complaint

Mr R and Miss T complain that Admiral Insurance (Gibraltar) Limited recorded a fraud marker against Miss T on the national fraud database ('Cifas'). Reference to Admiral includes its agents.

What happened

In summary, it's common ground that Mr R and Miss T bought a single trip travel insurance policy the day after their trip had started. Miss T says when she returned home from the trip, she discovered that a pair of earrings was missing. She made a claim against the policy in relation to the earrings. Admiral gave Miss T conflicting information about whether it would settle the claim, which I won't go into here as it's not central to the complaint about what happened next. Admiral paid Miss T compensation of £75 in relation to service issues in its handling of the claim.

Following Admiral's decision to decline Miss T's claim, it reported information relating to Miss T to Cifas. Admiral considered that Miss T had acted fraudulently as she took out the policy after the trip had started.

Miss T says she accepts Admiral's decision to decline her claim and cancel the policy from the outset. Her complaint is that Admiral reported information about her to Cifas. Miss T says she made a mistake in taking out the policy after the trip had started and didn't act fraudulently. She says the first she knew of Admiral's decision to report information to Cifas was when she was called into her manager's office at work where her employer's special investigation team told her about it. Miss T says her employer instructed her to go on immediate leave and not to enter her place of work. She says her employer told her she would be dismissed from her employment if the matter wasn't rectified within two weeks.

Miss T took the matter up with Admiral. Admiral removed the Cifas marker. It said it had changed its approach to reporting information to Cifas and now wouldn't report information about a claim like the one here, where the value of the claim is below a specific amount. Miss T says this matter has caused her considerable distress and has affected her emotional and physical health. She wants compensation for her stress and trauma and to ensure this doesn't happen to anyone else.

One of our Investigators looked at what had happened. She didn't think Admiral had acted fairly in concluding that Miss T had acted fraudulently or in reporting information to Cifas. The Investigator thought Admiral had caused Miss T significant distress and inconvenience. She recommended Admiral pay compensation of £650.

Admiral didn't agree with the Investigator. It provided screenshots of the sales process and said the evidence supports its decision about fraud and its reporting to Cifas. It doesn't agree that Miss T made an oversight when she applied for the policy. Admiral said the compensation of £75 it had paid previously was fair and reasonable and the Investigator's recommendation of compensation of £650 is excessive. It said Miss T's employment means that she should take extra care when purchasing policies and making claims.

The Investigator considered what Admiral said but didn't change her view. Admiral asked that an Ombudsman consider the complaint, so it was 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.

I've taken into account the law, regulations and good practice. Above all, I've considered what's fair and reasonable.

The scope of my decision

It's not my role to decide if fraud or attempted fraud has taken place; that's a matter for the Courts. This service isn't the regulator, so I can't direct Admiral generally about how it conducts its business. My role in this complaint is to decide whether Admiral acted in accordance with the policy terms, fairly, and reasonably in reporting information about Miss T to Cifas. I'm not considering Admiral's decision to decline Miss T's claim or cancel the policy. That's because Miss T hasn't complained about those matters.

The relevant terms and conditions

The relevant part of the policy says as follows:

'Privacy and Security Statement

[...]

*If **you** provide false or inaccurate information, and **we** identify or suspect fraud, **we** will give details to fraud prevention agencies. [...]*

Admiral's decision to report information about Miss T to Cifas

It's not in dispute that Miss T gave false or inaccurate information during the sales process when she indicated her agreement to the following statement:

'Assumptions about travellers

In order for us to provide you with a quotation you must confirm that the following is true that you or anyone to be named on the policy are:

[...]

- *Not attempting to cover a trip that has already started*

*Please tick this box to confirm you have read and understood our website **Terms and Conditions**, **Privacy policy**, **About us** and **Reward terms and conditions**. If you don't understand something and want to know more please **Contact us**.*

☐ *I agree'*

Miss T says she bought the policy on her phone and in a rush. That does not mean she does not have to provide true and accurate information. The question I have to determine is whether Admiral acted fairly and reasonably in categorising what happened here as fraud or suspected fraud.

An accusation that an insured has acted fraudulently is serious and can cause significant detriment to a consumer. For Admiral to fairly and reasonably report information about Miss T to Cifas it needs to show it had reasonable grounds to believe fraud has been attempted and the evidence must be clear, relevant and rigorous. More information can be

found here, under 'Principle 4: Lawfulness (Standard of Proof)' <https://www.cifas.org.uk/fraud-prevention-community/member-benefits/data/nfd/nfd-principles>.

I've looked carefully at the evidence Admiral relied on to come to its decision. In addition to Miss T's answer to the question under '**Assumption about travellers**', which I've set out above, Admiral refers to a warning Miss T would have seen during the sales process, which says as follows:

'Before you buy your policy

[...]

If you have already left the United Kingdom when purchasing a policy, your insurance will not be valid.

[...]

It also points out that the Insurance Product Information Document (IPID) says:

'When does the cover start and end?

Single trip policies: [...] *You must be in the UK when you buy a policy with us for the cover to be valid.'*

Admiral refers to the following part of the policy document:

'Eligibility

By taking out or renewing a policy, you agree that you (and each insured person):

[...]

- *Are not taking out the cover after the **trip** has started.'*

The information Admiral relies on shows the information it gave to Miss T at the point of sale or shortly after and which is about buying a policy once a trip had begun. It doesn't show Miss T was dishonest or reckless. On balance, I think it's more likely than not that Miss T made a careless mistake. In reaching that view, I've taken into account what Miss T says about the circumstances of her purchase of the policy and her conduct during the claims process, when she answered questions about the date her trip started honestly. I've also considered the likelihood of Miss T acting fraudulently for a relatively small potential gain.

Having very carefully considered all the evidence provided by both parties, on balance, I'm not satisfied that Admiral acted fairly and proportionately when reporting information about Miss T to Cifas. I've also kept in mind the principles that Admiral had to adhere to when making a report, as well as what's fair and reasonable in the overall circumstances of the complaint. In the particular circumstances of this case, I don't think Admiral acted fairly and reasonably in reporting information about Miss T to Cifas.

The effect of Admiral's actions on Miss T

In its e-mail to Miss T of 12 December 2024, Admiral set out the part of the '**Privacy and Security Statement**', which I've set out above. I don't think Admiral made it clear to Miss T in that letter that it would report information to Cifas. I accept what Miss T says about discovering what Admiral had done from her employer.

It was no doubt distressing to Miss T to be called to a meeting of her employer's special investigation team, directed by her employer to take immediate leave and to be told that she would be dismissed if the marker wasn't removed within two weeks. Admiral removed the marker a few days later but I don't doubt Miss T's distress was considerable and that this

had a serious short-term impact on her, including on her emotional and physical health. In addition, I accept that this matter has had a longer term impact on Miss T as she was worried this would happen again when she made a subsequent insurance claim.

In all the circumstances, in order to put matters right, I think Admiral should pay Miss T compensation of £650 in relation to her distress and inconvenience arising out of its error in reporting information to Cifas. I don't agree with Admiral that compensation at that level is excessive. I think it reflects the effect this matter had on Miss T. Admiral has referred to the compensation of £75 it has previously paid to Miss T in relation to service issues during the claims process. The award I make is separate from and in addition to the compensation Admiral has paid Miss T previously for a related but separate matter.

Putting things right

In order to put things right, Admiral should pay Miss T compensation of £650 in relation to her distress and inconvenience.

My final decision

My final decision is that I uphold this complaint. Admiral Insurance (Gibraltar) Limited should now take the step I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and Miss T to accept or reject my decision before 2 February 2026.

Louise Povey
Ombudsman