

The complaint

Mr K complains that Admiral Insurance (Gibraltar) Limited unfairly handled his request to cancel a motor insurance policy – as it provided him with incorrect figures of a pro-rata refund.

What happened

The circumstances of this case are well known to both parties, but in summary, Mr K arranged a motor insurance policy in March 2025, which was underwritten by Admiral.

In July 2025, Admiral contacted Mr K to inform him that his premium would be increasing as it had completed validation checks and found one of the named drivers to have a motoring conviction that hadn't been declared at the point of application. Admiral said Mr K could either accept the increased premium or he could call it to cancel the policy. Mr K contacted Admiral to discuss the cancellation and was informed he would get a pro-rata refund of approximately £700 should he decide to cancel. Mr K confirmed he would call back once he had considered alternative cover.

Mr K later decided to proceed with the cancellation and was informed via webchat that the pro-rata refund amount had changed to less than £400. Mr K called Admiral the following day to discuss and was quoted another figure considerably less than the original provided and this included cancellation fees that shouldn't have applied. Following several further exchanges, Admiral agreed to cancel Mr K's policy and provide him with a pro-rata refund of approximately £710. Unhappy with the way Admiral had handled things, Mr K complained.

Admiral didn't uphold the complaint. It recognised it had provided different figures in response to Mr K's request, but it was satisfied that the pro-rata figure it ultimately refunded him was correct. However, Admiral paid Mr K £25 to recognise the time taken to resolve his concerns. As Mr K remained unhappy, he referred his complaint to this Service.

Our Investigator took on the complaint and informed Mr K that Admiral's position had changed, and it wanted to proactively settle his complaint by offering him a further £150 to recognise the impact of its service and provide a letter of apology. Mr K didn't agree with the offer, and so our Investigator reviewed the case further and concluded that the offer Admiral had put to Mr K was fair in the circumstances, based on the evidence they had been provided.

Mr K said that Admiral's offer didn't resolve things and asked for an Ombudsman to make a final decision. In summary, he said the offer didn't fairly compensate him for the time taken to pursue Admiral's error, or for the time taken to bring his complaint to our Service and the regulator. Mr K also explained he had incurred a further loss as Admiral's delays led him to pay a higher premium with his new insurance provider as he had to take out new cover at short notice.

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.

I appreciate my summary of Mr K's complaint may be more brief than originally presented, but I'd like to assure both parties that I have thoroughly reviewed all their submissions. My decision won't comment on each point raised or every piece of evidence provided but will instead comment on the issues I consider to be key to the case. This isn't intended as a courtesy but reflects the informal nature of our Service – and the rules our Service need to adhere to enable me to do this.

Having reviewed everything provided, I uphold this complaint – but I think Admiral's offer is fair and so I'm not asking it to do more. I'll explain why.

Admiral's errors aren't in dispute and are accepted as having happened by both parties. So, I won't look to comment on these in much more detail. However, Admiral has provided an explanation as to why there was such a variation in the figures it provided to Mr K. In straightforward terms, the first quote was manually worked out and didn't consider the additional premium required due to the motoring conviction disclosure. Later quotes were system generated taking into account this extra cost. Having reviewed this, I don't find it to be an unreasonable explanation.

I accept Mr K has concerns about a wider issue that is impacting other customers in the same way it has impacted him. But I should make clear that the function of this Service is that of an informal dispute resolution service. And so, I have only considered the individual circumstances of Mr K's case – and not Admiral's actions more widely to its customer base.

While I recognise the contradictory information would've been frustrating for Mr K, I think the additional £150 and apology offered by Admiral is fair and proportionate in the circumstances for the following reasons –

- From the timeline of events, Admiral caused a delay of approximately one week following Mr K's initial request to cancel the policy. And I recognise Mr K had to contact several departments within Admiral to resolve things. While any delay should be avoided, I find this delay to have had a minor impact, rather than significant. And I find the compensation to be proportionate to the overall timeline of events as well as the added contact made by Mr K.
- Admiral ultimately refunded the correct amount following the cancellation of the policy, and this amount exceeded that originally quoted to Mr K despite Mr K having had the benefit of an additional week's coverage under the policy.
- While I recognise Mr K was inconvenienced by having to pursue Admiral and put forward his complaint, this Service doesn't compensate an individual due to having to make a complaint. And so, it wouldn't be appropriate for me to ask Admiral to increase its compensation on the basis that Mr K complained.
- Mr K has said that he experienced a consequential loss due to Admiral's delays. I understand why Mr K feels the delay affected his quote, but I haven't seen any clear evidence to show the higher premium was due to Admiral's delay. I am also mindful that quotations are not guaranteed and can change over time depending on each insurer's appetite and commercial discretion. So, even with evidence of the quotes, I can't safely conclude that the increase in premium Mr K was quoted was solely down to the delay in receiving his refund from Admiral.

So, for the reasons I have set out above, I uphold this complaint, but I don't require Admiral to do more than its offer put forward by our Investigator.

My final decision

My final decision is that I uphold this complaint and direct Admiral Insurance (Gibraltar) Limited to pay Mr K a further £150 – bringing the total compensation to £175 in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 27 December 2025.

Oliver Collins
Ombudsman