

The complaint

Mr U complains that Admiral Insurance (Gibraltar) Limited (“Admiral”) is responsible for unfairly recording a default under his motor insurance policy.

What happened

Mr U had a sports utility vehicle that had first been registered in 2017 and another sports utility vehicle that had first been registered in 2019.

For the year from 11 June 2024, Mr U had both vehicles insured on an Admiral policy.

At least in regards to the 2019 vehicle, the policy was a “LittleBox” or telematics policy. That was on the basis that Mr U would get a discount on his premium in return for providing data about his driving.

He agreed to pay a deposit or initial instalment, followed by instalments on the 30th day of each month.

With effect from 15 January 2025, Admiral confirmed to Mr U that it had cancelled the policy, and it claimed a balance of about £1,700.00 from Mr U.

In about July 2025, Mr U complained to Admiral, in particular that it had unfairly recorded a default on his credit record.

By a final response dated 18 July 2025, Admiral turned down the complaint.

Mr U brought his complaint to us in late July 2025. He asked us to direct Admiral to permanently remove the default entry from all credit reference agencies and to pay additional compensation.

Our investigator didn’t recommend that the complaint should be upheld. He thought that Admiral applied the terms of the policy. He didn’t think that Admiral did anything wrong. Mr U disagreed with the investigator’s opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- When he took out the policy, Admiral failed to mention the role in the LittleBox policy of a mobile phone company. That caused his omission to respond and the subsequent debt.
- When Admiral cancelled the policy, he took out a replacement policy with Admiral.
- When he received an email from Admiral’s appointed debt collector, on Tuesday, 11 February 2025, he immediately engaged with them. He entered into a repayment agreement on 20 February 2025.
- He has maintained this agreement without missing a single payment (while also still paying for the replacement policy even after a serious car accident on 2 August 2025 and the car was a total write-off). At no stage did Admiral or its debt collector inform

him that a default would still be applied.

- A default should only be recorded when the lender–customer relationship has completely broken down. The default was disproportionate and unfair.
- The default has caused financial and emotional impact.

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.

From what Mr U and Admiral have each said, I accept that, when he took out the policy, Admiral didn't explain that a mobile phone company would contact him if there was an issue with the telematics device.

I'm satisfied that Admiral issued a letter to Mr U including the following:

*"Welcome to your Admiral LittleBox policy!
... As well as your Admiral Welcome Documents, you must also read your LittleBox Guide. It details additional terms and conditions and charges relating to the LittleBox unit."*

The LittleBox Guide contained many references to the role of the mobile phone company in sorting out any issues with the telematics device.

As I would expect, the policy terms included the following:

"If we are unable to collect any amount by the due date, we will cancel your policy."

From what Admiral said later, I accept that it sent SMS (text) messages to Mr U telling him that the mobile phone company would be trying to reach him by email to discuss an issue with the device.

I accept that the mobile phone company sent emails to Mr U but he didn't respond.

From its file, I accept that Admiral sent Mr U a notification dated 17 September 2024, including the following:

*"We previously contacted you by SMS to tell you that [mobile phone company] would be trying to reach you via email to discuss an anomaly with your unit. Unfortunately, as there was no response from you we have had to deactivate the device.
As the previous SMS stated this means that we have removed your Telematics discount and an additional premium of £1,772.80 is now due. This is part of the Terms and Conditions of the LittleBox policy you have purchased.
We will add this amount to your outstanding balance, and it will be spread over your remaining monthly instalments"*

So Admiral had deactivated the device, removed the discount and increased the monthly instalments.

On 30 October 2024, Admiral tried unsuccessfully to collect an instalment of about £650.00.

Admiral sent Mr U a notification dated 1 November 2024 saying that it would issue a formal default notice on 4 November 2024.

On 4 November 2024, Admiral issued a default notice.

On about 5 November 2024, Mr U complained to Admiral, including that it hadn't told him of the involvement of the mobile phone company.

By a notification dated 19 November 2024, Admiral gave Mr U seven days' notice of cancellation of the policy.

By a final response dated 25 November 2024, Admiral accepted Mr U's complaint in part and said it was sending him £100.00 compensation for distress and inconvenience.

By a separate notification dated 25 November 2024, Admiral agreed to suspend payments until 20 December 2024. That email included the following:

"Please note delayed payments may be reported to credit reference agencies and could have an adverse effect on your credit file."

I've underlined the words "*may be reported*" because I note that Admiral didn't say "*will be reported*". But I don't think that made any difference in Mr U's case.

From its file, I accept that, by late November 2024, Admiral had sent Mr U the £100.00 compensation.

On 30 November 2024, Admiral tried unsuccessfully to collect instatements totalling about £1,300.00.

Admiral sent Mr U a notification dated 21 December 2024 saying that it would issue a default notice on 24 December 2024.

On 24 December 2024, Admiral sent Mr U a default notice.

Admiral sent a notice dated 8 January 2025, giving Mr U seven days' notice of cancellation of the policy.

Admiral confirmed that it had cancelled the policy with effect from 15 January 2025.

I accept Mr U's statement that he took out a replacement policy with Admiral.

I also accept his statement that he entered into a payment agreement in February 2025 in relation to the cancelled policy.

From what he has said, Mr U didn't find out about the default on his credit file until July 2025 when he complained to Admiral.

I make the following points:

- After the final response dated 25 November 2024, Mr U didn't bring his complaint to us within six months. And he hasn't said that exceptional circumstances prevented him from doing so. So under the Financial Conduct Authority's dispute resolution rules, I can't direct Admiral to do any more in response to the complaint that led to that final response.
- The contact from the mobile phone company formed the background. However, from 17 September 2024, Admiral contacted Mr U directly but he didn't make the

necessary payments. And he didn't reply to Admiral until early November 2024. So I don't accept that Admiral treated Mr U unfairly by its default notice in November 2024.

- Notwithstanding the suspension until 20 December 2024, Mr U was still in default on 24 December 2024. So don't consider that Admiral treated Mr U unfairly by its default notice of that date.
- I consider that by early January 2025, the relationship between Mr U and Admiral had broken down.
- Whilst I accept that Mr U and Admiral entered into further agreements, I don't consider that Admiral treated Mr U unfairly by recording the default with one or more credit reference agencies.

For these reasons I don't find it fair and reasonable to direct Admiral to change the way it has recorded the default or 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 U to accept or reject my decision before 10 February 2026.

Christopher Gilbert

Ombudsman