

The complaint

Mr H complains about his travel insurance policy underwritten by Admiral Insurance (Gibraltar) Limited. Reference to Admiral includes its agents.

What happened

Mr H had an annual travel insurance policy underwritten by Admiral which covered trips of up to 31 days. He was planning a trip of more than 31 days and contacted Admiral about extending his cover. Admiral declined to extend the trip length cover. It also said it couldn't cover only part of Mr H's trip. Mr H cancelled the policy and asked for a pro-rata refund but Admiral said no refund was due as the cancellation was after the cooling-off period.

Mr H complained that Admiral didn't act fairly in declining to extend the trip length cover and in failing to provide a pro-rata refund on cancellation. He wants a pro-rata refund of premium.

One of our Investigators looked at what had happened. He didn't think Admiral had treated Mr H unfairly in declining to extend the trip length cover or cover only part of the trip. The Investigator thought Admiral could rely on the terms and conditions of the policy in relation to the cancellation provisions, which said no refund was due after the cancellation period.

Mr H didn't agree with the Investigator. He said it's usual for insurers to give a pro-rata refund following cancellation of an annual policy and he referred to two other insurers who he says do so. Mr H didn't think Admiral's approach was made clear to him and he doesn't think it treated him fairly.

The Investigator considered what Mr H said but didn't change his view. Mr H asked that an Ombudsman consider his complaint, so it was passed to me to decide. He said he was looking for this service's support in protecting consumers.

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.

This service is impartial and therefore it's not my role to support either Mr H or Admiral. My role is to consider the available evidence and arguments in order to decide what's fair and reasonable. I've taken into account the law, regulations and good practice.

Admiral's decision to decline Mr H's request to extend the trip length cover.

An insurer will decide what risks it's willing to cover and set these out in the terms and conditions of the policy document. In general terms, and as long as consumers are treated fairly, insurers can decide the terms on which they are prepared to offer cover.

Admiral offered to cover trips up to 31 days in its annual policy. Admiral wasn't involved in the sale of the policy to Mr H but was, nevertheless, obliged to provide information that was clear and not misleading. I think the trip length the policy covered was clearly set out

in the policy terms and condition and in the Insurance Product Information Document (IPID), which is a summary of key features of the policy.

The policy says Admiral may agree to trips lasting more than 31 days. It's not obliged to do so. It isn't necessarily unfair for an insurer to take into account someone's age when providing insurance. Admiral has provided this service with some information about its underwriting criteria at the time of Mr H's request. Admiral applied its underwriting criteria fairly. I'm satisfied Admiral treated Mr H the same as it would have treated others in his position. So, I don't think Admiral acted unfairly in declining Mr H's request to extend the trip length cover.

Admiral's decision not to cover the first 31 days of Mr H's trip.

The policy defines a trip as one which starts and ends at the insured's home during the period of insurance. The policy terms don't provide for cover for part of a longer trip. I don't think Admiral acted unfairly or unreasonably in relying on the policy terms and declining to insure Mr H's trip for only the first 31 days.

Admiral's decision not to issue a refund following cancellation

The insurance industry regulator, the Financial Conduct Authority ('FCA'), has set out rules and guidance about a consumer's right to cancel an insurance contract. These are contained in the 'Insurance: Conduct of Business Sourcebook' (ICOBS'). ICOBS says insurance contracts like the one here have a cooling off period of 14 days for a consumer to cancel without penalty and without giving any reason. This is called the 'right to cancel'.

Under ICOBS, a firm may provide longer or additional cancellation rights voluntarily, as long as these are on terms which are at least as favourable to the consumer, unless the differences are clearly explained. Mr H didn't cancel his travel insurance policy within 14 days. The terms and conditions of Mr H's policy with Admiral outline his cancellation rights under the contract. These say:

'8. Cancelling your policy

[...]

Annual multi-trip policy

- *If the policy does not meet your needs, **you** can cancel it within 14 days from the cover start date shown in the policy schedule. If **you** have not started any **trip**, and **you** have not made (and do not intend to make) a claim, you will receive a full refund.*
- ***You** will not be entitled to a refund if **you** cancel the policy after 14 days, or once **you** have made (or intend to make) a claim or started a **trip**, whichever comes first. [...]*

Mr H's cancellation rights under the contract of insurance are in line with industry rules. I don't agree that they are unclear.

I've also considered what's fair and reasonable in all the circumstances of the complaint. I've thought about whether it would be fair and reasonable to ask Admiral to depart from industry rules and the terms and conditions of Mr H's contract. Mr H has referred to other insurers offering pro-rata refunds. The insurers to which he's referred don't appear to offer standalone travel insurance, like the policy here.

It's a fundamental principle of insurance law that if the insurer had commenced to bear the risk concerned – for however short a time – the premium paid is not returnable. Admiral was

willing to continue to provide cover for Mr H on the terms it had offered. I don't think the circumstances here require Admiral to refund part of the premium to Mr H. If a consumer cancels the policy outside the cooling off period, they are not entitled to any premium refund unless the policy terms and conditions provide for it, which they don't here.

I'm sorry to disappoint Mr H but, for the reasons I've set out, I don't uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 3 March 2026.

Louise Povey

Ombudsman