DRN-5960749

The complaint

Miss M has complained that Admiral Insurance (Gibraltar) Limited declined a claim she made on an annual travel insurance policy, voided the policy and retained the premiums.

What happened

Miss M purchased the policy on 4 April 2025 and chose a start date of 7 April 2025, which was the date she was due to take a trip abroad.

She had experienced some mild physical discomfort earlier in the day on 4 April 2025. However, later that night she was taken to hospital in extreme pain. She was subsequently admitted for six nights. She therefore cancelled the trip and made a claim on the policy.

Admiral declined the claim on the basis that the event leading to cancellation had begun prior to the policy start date. Miss M complained that the terms around cancellation not being covered prior to the start date were unclear.

As Miss M further complained that Admiral had declined the claim without consideration of the medical evidence, it undertook another assessment on that basis. Due to the timing of events, it concluded that she could reasonably have foreseen that she might need to claim on the policy at the time of purchase. It therefore invoked the fraud clause to cancel the policy and retain the premiums.

Our investigator thought that Admiral had acted reasonably in declining the claim due to the reason for cancellation being outside the period of cover. However, she thought that it had acted unfairly in concluding that Miss M's serious illness and hospitalisation was an event that Miss M could have anticipated. She therefore thought it was unreasonable that Admiral had characterised the situation as fraud. As such, she recommended that it should cease any action in relation to fraud markers against Miss M, refund the premiums (as Miss M did not wish for the policy to be reinstated) and pay compensation of £150 for distress and inconvenience.

Admiral accepted our investigator's outcome in its entirety. Miss M also accepted the outcome, apart from the amount of suggested compensation, which she feels is too low.

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.

As both parties substantively accepted our investigator's conclusions, the only matter left for me to consider is what level of compensation would be appropriate for the distress and inconvenience caused to Miss M.

I've thought very carefully about what she's said and have some sympathy with her situation. I appreciate that having to deal with the claim, and then the complaint, in addition to her caring responsibilities, would have been stressful. I also understand what she's said about

how the telephone interview with Admiral made her feel. And the mention of fraud must have be worrying. So, I can understand why she feels she should receive more compensation.

However, as an alternative dispute resolution service, our awards are more modest than Miss M might expect and likely less than a court might award. On balance, I'm satisfied that £150 is reasonable compensation for the distress and inconvenience caused.

In summary, I agree with our investigator that Admiral should put things right by:

- Ensuring that no fraud markers are recorded against Miss M's name
- Refunding the policy premium
- Paying £150 compensation for distress and inconvenience

Miss M remains concerned about fraud markers and I understand that our investigator has asked Admiral to write to Miss M about this, as a courtesy. However, Admiral has confirmed that it has taken no action in this regard. So, nothing has been registered with any third-party credit reference agencies. I have no reason to doubt what Admiral has said. I understand that Miss M is keeping an eye on her credit files to ensure that this is the case.

My final decision

For the reasons I've explained, I uphold the complaint and require Admiral Insurance (Gibraltar) Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 9 January 2026.

Carole Clark
Ombudsman