

The complaint

Mr L & Mrs L complain that Admiral Insurance (Gibraltar) Limited (“Admiral”) cancelled their motor insurance policy without them knowing.

What happened

Mr L & Mrs L had a car insurance policy with Admiral covering both of their cars.

Their policy renewed as normal in mid-2025, but they needed to make a change to the policy. This resulted in an additional charge of about £70. Admiral tried to take payment from a credit card previously used for payment on the policy, but the payment failed because the card had been cancelled.

Because Admiral couldn’t take payment, it wrote to and emailed Mr L & Mrs L and asked them to get in touch. They were on holiday overseas and accessing email by Wi-Fi, but they didn’t receive the notices.

Admiral didn’t hear back from them, so it proceeded to cancel their policy due to non-payment.

It refunded the remaining premium to the cancelled card.

Mr L & Mrs L returned home and found that their policy had been cancelled. They complained to Admiral about the possible consequences of what had happened. They said Admiral should have called them about the problem. They weren’t able to access the returned premium for a short time due to the cancelled status of their card. Admiral didn’t uphold their complaint.

As they remained unhappy, they brought their complaint to this service. Our investigator looked into it and thought it wouldn’t be upheld. She thought Admiral acted fairly in how it had cancelled their policy.

Mr L & Mrs L didn’t agree with the view and asked that their case was reviewed by an ombudsman, so it’s been passed to me to make a final decision.

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’m sure the discovery of the cancellation of their policy was a distressing event for Mr L & Mrs L. But, having reviewed the file, I can see that Admiral had reasonably tried to communicate with them while they were away about the payment problem, so I’m not upholding this complaint and I’ll explain why.

The change made by Mr L & Mrs L was relatively minor, resulting in a change of about £70 in a total premium of over £2,000. But they’d cancelled the payment card, as a precaution, so payment couldn’t be taken.

On their account, they'd chosen post as their primary method of communication. Admiral also emailed Mr L. It asked them to get in touch about their account, then it said it was having problems taking payment, then it was going to cancel their policy with seven days' notice, and finally that the policy was cancelled. These notices were sent over a total period of about 22 days.

I can see from the file that Mr L & Mrs L said they were using Wi-Fi to pick up emails while they were abroad. For whatever reason they didn't do this, or didn't see the emails from Admiral. But I can't fairly say that's Admiral's fault.

Admiral used two methods of communication with Mr L & Mrs L about what it was going to do, and that's in line with industry best practice. I do appreciate that Mr L & Mrs L have said they would expect a phonecall about the matter, but I think Admiral acted fairly and if they didn't receive or didn't notice the emails then I can't fairly say Admiral is responsible.

Mr L & Mrs L have said that the possible consequences against them of their policy being cancelled are large. But, from the evidence I have, there were no consequences faced by them. I do understand Mr L & Mrs L's distress and I agree there was a potential exposure to both criminal and civil penalties, but it's not the role of this service to consider what might have happened, but actually didn't.

When Admiral returned the premium, it used the cancelled card. This is in line with its procedures. I can see Mr L & Mrs L then had to locate the balance and pay for another policy, all while presumably recovering from their vacation. I'm sure this was a stressful time for them, but I can see they were able to recover the balance within about two weeks. I can't say Admiral acted unfairly here, and it's not the role of this service to interfere with a company's processes and procedures.

Mr L & Mrs L have talked about taking legal action against Admiral, and this is their right. But I'm not upholding this complaint.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Mrs L to accept or reject my decision before 27 February 2026.

Richard Sowden
Ombudsman