

## **The complaint**

Mr H and Ms P complain about the amount Admiral Insurance (Gibraltar) Limited has paid to settle a claim they made under their travel insurance policy.

## **What happened**

Mr H and Ms P held an annual multi-trip travel insurance policy provided by Admiral. The policy renewed in October 2024 and ran until October 2025. In November 2024, Ms P fell ill and was unable to travel on a planned trip. So, they submitted a cancellation claim.

Admiral considered the claim but only agreed to settle it on a proportionate basis. It said that Ms P hadn't disclosed that she had previously suffered from high cholesterol and mental health conditions. It said that if she had disclosed these conditions, it would have charged a higher premium. Admiral said that this stance was in line with the principles of the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). Mr H and Ms P didn't think this was fair and complained to Admiral who maintained its stance.

Unhappy with the outcome, Mr H and Ms P brought their complaint to this service. Our investigator looked into the matter but didn't uphold the complaint. He said that it was reasonable for Admiral to settle Mr H and Ms P's claim on a proportionate basis and that it has applied CIDRA fairly.

Mr H and Ms P disagreed with our investigator. As no agreement could be reached, the matter 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.

Both parties are fully aware of the circumstances surrounding this complaint and so I've only provided a summary above. But it is important to point out that we are an informal dispute resolution service, set up as a free alternative to the courts for consumers. In deciding this complaint I've focused on what I consider to be the heart of the complaint rather than commenting on every issue or point made. This isn't intended as a discourtesy to Mr H and Ms P. Rather it reflects the informal nature of our service, its remit and my role in it.

The relevant law in this case is CIDRA. This requires consumers to take reasonable care not to make a misrepresentation when taking out an insurance contract (a policy). The standard of care is that of a reasonable consumer.

And if a consumer fails to do this, the insurer has certain remedies provided the misrepresentation is – what CIDRA describes as – a qualifying misrepresentation. For it to be a qualifying misrepresentation the insurer has to show that it would have offered the policy on different terms or not at all if the consumer hadn't made the misrepresentation.

CIDRA sets out a number of considerations for deciding whether the consumer failed to take

reasonable care. And the remedy available to the insurer under CIDRA depends on whether the qualifying misrepresentation was deliberate and reckless, or careless.

Admiral thinks Ms P failed to take reasonable care not to make a misrepresentation when she failed to tell it about the episodes of high cholesterol and her mental health. It has only considered the misrepresentation at the point the policy renewed in 2024, and so this is what I've focussed my decision on.

I can see in October 2024 Mr H and Ms P were sent their insurance documents. This included the policy schedule, and the medical declaration, which showed Ms P hadn't declared any medical conditions. The policy schedule told Mr H and Ms P to review the document carefully and to make Admiral aware if anything was incorrect.

Mr H and Ms P were asked the following relevant questions in relation to their health:

*Have you or anyone in your party ever been diagnosed with or treated for any of the following:*

*any heart or respiratory condition? any circulatory condition (problems with blood flow, including strokes, high blood pressure and cholesterol)? any liver condition? any cancerous condition?*

*Have you or anyone in your party ever been diagnosed with or treated for any psychological conditions such as stress, anxiety, depression, or psychiatric condition such as eating disorders, drug or alcohol abuse or mental instability?*

Admiral has provided a medical certificate completed by Ms P's GP. In this form Ms P's GP has said she had raised cholesterol in 2013. The report also confirms Ms P has had medication in recent years for anxiety and depression.

Ms P said that she didn't think she needed to declare these conditions. She said the high cholesterol was from some time ago and she didn't receive any medication for it. So, she thinks this is unfair.

I've noted the comments made by Ms P, however, I don't think the question is unclear. The questions weren't only asking about conditions she had currently or was receiving medication for, but conditions she had ever been diagnosed with or received treatment for. Ms P's GP has provided information to show that Ms P had received a previous diagnosis of high cholesterol and that she has received medication for anxiety and depression. So, I think a reasonable person in Ms P's position would have declared these conditions to Admiral prior to the policy renewing. Therefore, I think it was reasonable for Admiral to conclude that Mr H and Ms P had failed to take reasonable care when the policy was renewed.

I've gone on to consider whether this misrepresentation is a qualifying misrepresentation.

Admiral has provided underwriting evidence to show that, if it had been aware of Ms P's history of high cholesterol and her mental health conditions, it would have charged a higher premium. The evidence is commercially sensitive and so this isn't something I can share with Mr H and Ms P. But I want to reassure them that I have reviewed the information personally. The premium that Mr H and Ms P paid for the policy was £165.41 but the evidence supplied shows that Admiral would have charged £240.71 if these conditions had been declared. As Admiral has been able to show it would have offered a policy, but on different terms, I'm satisfied that this misrepresentation was a qualifying one.

Admiral hasn't suggested the misrepresentation was deliberate or reckless, and it has therefore chosen to treat this as a careless misrepresentation. I think that is reasonable. I've gone on to consider whether the actions taken by Admiral are fair and in accordance with CIDRA.

When a claim has been made, CIDRA entitles the insurer to settle the claim proportionally, based on the premium the policyholder has paid, compared to the premium they should have paid. In this case, Admiral has shown that Mr H and Ms P paid 68.72% of the premium that they should have, and so I'm satisfied it is fair for Admiral to pay 68.72% of the cancellation claim as it has done. As CIDRA reflects our long-established approach to misrepresentation cases, I think allowing Admiral to rely on it to proportionally settle Mr H and Ms P's claim provides a fair and reasonable outcome to this complaint. I don't require Admiral to do anything more.

### **My final decision**

While I appreciate this will be disappointing for Mr H and Ms P, I've decided not to uphold this complaint for the reasons set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Ms P to accept or reject my decision before 16 February 2026.

Jenny Giles  
**Ombudsman**