

## **The complaint**

Mr M complains that Admiral Insurance (Gibraltar) Limited (“Admiral”) mishandled his claim on a motor insurance policy.

## **What happened**

From what Mr M has said, he committed a speeding offence on 4 January 2024.

On about 16 March 2024, Mr M acquired a brand-new hybrid petrol electric sports utility vehicle. Mr M insured the vehicle on a comprehensive policy with Admiral for the year from 16 March 2024. The cost for the year was going to be about £1,800.00.

From what Mr M has said, on 13 July 2024, a court convicted him of the speeding offence.

In October 2024, Mr M was driving the car in continental Europe. Unfortunately on 31 October 2024, he and the vehicle were involved in an accident.

On 1 November 2024, Mr M made a claim to Admiral.

Admiral agreed to repatriate the car to the UK.

On about 5 December 2024, Admiral authorised repairs.

Admiral didn’t provide Mr M with a courtesy car.

From what Mr M has said, Admiral wrote a letter dated 20 December 2024 asking for an additional premium of about £350.00 and giving notice of cancellation with effect from 30 December 2024.

On about 27 December 2024, Admiral instructed the recovery of the car.

Admiral did not collect payment of any additional premium from Mr M.

With effect from 30 December 2024 Admiral cancelled the policy.

From what Mr M has said, Admiral wrote a letter dated 30 December 2024 confirming cancellation, and he received that letter (and others) in early January 2025.

On about 2 January 2025, Mr M complained to Admiral that it was responsible for conflicting information about where the vehicle was.

After that date, Admiral didn’t provide a final response within eight weeks.

By an email dated 2 March 2025, Mr M complained to Admiral. He included the following:

*“During this extended period, I have not been provided with a courtesy car and have hired at a cost of around £350 per week....*

*I would like...*

*5. Compensation for the cost of hiring during the delays and whilst the repairs are carried out."*

On about 5 March 2025, Admiral returned the vehicle to Mr M.

By an email dated 27 March 2025, Mr M included the following:

*"I learned today that my policy remained cancelled from 30th December 2024, despite my having pointed out that the requests for additional premium were unjustified. I had wrongly assumed that you had accepted my arguments and the policy had been reinstated. As I had not heard from you rejecting my arguments, this seemed a reasonable assumption. It turns out that I have been driving without insurance for 3 months. This is appalling. I shall at the very least expect a proportionate part of the premium from cancellation to the end of the cover period purchased."*

Admiral calculated the loss of use from 2 December 2024 to 5 March 2025 – 93 days.

By a final response dated 22 April 2025, Admiral accepted the complaint in part and said that it was sending Mr M a cheque as follows:

for distress	£ 300.00
for loss of use of a vehicle	£ 930.00
for delay in responding to the complaint	£ 50.00
Total	£1,280.00

Admiral's final response included the following:

*"if you have incurred any other losses due to the errors in handling your claim, that you would like us to consider, please send evidence in support to [claimsquality@admiralgroup.co.uk](mailto:claimsquality@admiralgroup.co.uk)..."*

By an email dated 3 May 2025, Mr M replied to the final response. He included the following:

*"During the period without my car, I hired several. The cost was in excess of £300 per week."*

Mr M brought his complaint to us in mid-May 2025. He told us that he hadn't paid in the cheque Admiral had sent him.

Admiral offered, through us, to pay an additional £300.00 as follows:

for delays in concluding the conviction post-dated policy inception	£ 100.00
for distress caused for cancelling the policy without notice	£ 200.00

With the previous offer of £1,280.00, that would make a total of £1,580.00.

Mr M didn't accept that offer. He asked us to direct Admiral to pay more compensation and to make a refund of premium.

On about 28 July 2025, a dealer serviced the vehicle and noted that it had no coolant in the battery management system.

In mid-September 2025, Mr M told us that Admiral hadn't repaired the vehicle properly.

In mid-November 2025, Mr M told us that the accident had damaged the vehicle's water pump, Admiral hadn't repaired it and he'd paid the dealer to replace it.

Our investigator said that we could only investigate the complaint points already raised with the business at the final response stage.

Our investigator recommended (on 20 November 2025) that the complaint should be upheld in part. She thought that Admiral could have handled the claim better during the period she looked into. She recommended that Admiral should:

- “ • Consider the costs Mr [M] has incurred for the hire vehicle whilst his car was being repaired – plus interest. Mr [M] will need to send evidence of the costs incurred to Admiral directly for consideration.*
- Admiral should refund Mr [M] the premiums paid plus interest from the date of the policy cancellation until the policy was due to end.*
- Admiral should pay the £650.00 compensation offered to date.*
- Pay the £930.00 loss of use payment already offered.”*

On 23 November 2025, Mr M sent Admiral six invoices for car hire.

Mr M disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- Admiral should've considered the invoices by now.
- He suggests that we press them to propose a clear amount that they are prepared to pay.

Admiral accepted the investigator's opinion.

### **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.

#### Scope of this decision

The Financial Conduct Authority's dispute resolution rules are binding on the Financial Ombudsman Service. One such rule is that, before we can investigate a consumer's complaint, the consumer must first have made that complaint to the regulated firm and waited for up to eight weeks for a final response.

It sometimes happens that a consumer makes a complaint to the firm, receives a final response and brings the complaint to us – with additional points of complaint. In such circumstances we can investigate the initial complaint, but we can't deal with the additional points of complaint in the same investigation.

I'm satisfied that Mr M's complaint to Admiral in March 2025 included complaints about having to hire a vehicle and about maintaining the cancellation.

However, after the final response in April 2025, Mr M made a further complaint about the scope or quality of the repair. I consider that our investigator was correct not to investigate that complaint. I don't include it in the scope of this decision.

#### This decision

Admiral's policy terms said that it would provide a courtesy car while one of its approved repairers was repairing the insured vehicle.

Keeping in mind that the vehicle was abroad, I haven't seen enough evidence to say that Admiral was responsible for unreasonable delay before it authorised repair on about 5 December 2024.

I find Admiral responsible for conflicting and confusing information about additional premium.

I have seen evidence that Admiral was responsible for unreasonable delay in repatriating the vehicle to the UK. Also, I've seen that Admiral was reasonable for unclear communication with Mr M and the repairers including about where his car was. I accept that all this caused delay in repairing the car before Mr M got it back on about 5 March 2025.

### **Putting things right**

I've thought about the shortcomings in Admiral's response, their impact on Mr M and what's fair and reasonable to try to put things right at this late stage.

Mr M has said that he received notice of cancellation and confirmation of cancellation. I have to say that I don't accept his assumption that he had won the argument and was still insured to drive. In that sense it was fortunate that Mr M was without the vehicle until about 5 March 2025. Also Mr M hasn't explained what he did before the date when the policy would've expired in mid-March 2025.

So I don't find it fair and reasonable to direct Admiral to pay compensation for Mr M's distress and inconvenience when he found out in late March 2025 that he'd been without cover on the Admiral policy for about three months.

Mr M could've provided the hire invoices to Admiral much sooner after he got his own vehicle back in March 2025. Admiral's final response in April 2025 included £930.00 for loss of use and an invitation to Mr M to send in evidence of other losses for it to consider. I find that, based on the information it had, Admiral's response was fair and reasonable.

So I find it fair and reasonable to direct Admiral to pay the £930.00 for loss of use and to consider paying the hire invoices insofar as they exceed £930.00 and to consider paying interest.

The policy terms provide that if the policyholder makes a claim and Admiral cancels the policy, then it would not make a refund of premium. That is on the footing that the policyholder has used the policy, so I don't find that unfair.

Nevertheless, in Mr M's case, Admiral has accepted the investigator's recommendation. So I find it fair and reasonable to direct Admiral to make a refund pro rata to the period from 30 December 2024 to 16 March 2025 with interest at our usual rate.

I've dealt separately with the loss of use of a vehicle. I've thought about the nature and duration of the other impact on Mr M. I'm satisfied that £650.00 is fair and reasonable and in line with our published guidelines for compensation for distress and inconvenience.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Admiral Insurance (Gibraltar) Limited to:

1. pay Mr M £930.00 for loss of use of a vehicle; and
2. consider paying the hire invoices and interest insofar as they exceed £930.00; and
3. make a refund to Mr M of premium pro rata for the period from 30 December 2024 to 16 March 2025;
4. pay Mr M simple interest on such premium refund at a yearly rate of 8% from 30 December 2024 to the date of the refund. If Admiral considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr M how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and
5. pay Mr M £650.00 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 2 February 2026.

Christopher Gilbert

**Ombudsman**