

The complaint

Miss E complains that Admiral Insurance (Gibraltar) Limited declined her claim made on her motor insurance policy and that it retained her premiums. She wants it to accept her claim.

What happened

Miss E made a claim to Admiral that her car had been damaged by vandals. Admiral thought the car may be beyond economical repair, and it instructed an independent engineer to inspect it. He found that the car had extensive scratches and dents that he said were pre-existing and not due to vandalism.

Admiral thought this was confirmed by the sales advert from when Miss E had bought the car, though Miss E didn't recall the car having any scratches or dents. Admiral then declined the claim and, because Miss E had provided misleading information, it cancelled her policy and retained her premiums. Miss E thought Admiral couldn't prove that the scratches were pre-existing.

Our Investigator didn't recommend that the complaint should be upheld. He thought Admiral had reasonably relied on the sales advert and the engineer's report to decide that the claimed-for damage was pre-existing. He also thought Admiral had reasonably decided that Miss E had provided misleading information. He thought this entitled it to decline the claim, cancel the policy and retain the premiums in keeping with the policy's terms and conditions.

Miss E replied that she had now reported the vandalism to the police. Miss E disagreed that the damage was pre-existing, and she thought Admiral should return her policy premiums. Miss E asked for her complaint to be reviewed by an Ombudsman, so it's come to me for 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 can understand that Miss E feels frustrated that Admiral first decided that her car was beyond economical repair, but Admiral then changed its decision and declined the claim. Admiral said Miss E had made a deliberate attempt to mislead it about the circumstances of the damage. Our approach in cases like this is to consider whether the insurer acted in line with the terms and conditions of the policy and fairly and reasonably.

Admiral relied on two sources of evidence to make its decision about the claim. It looked at the seller's advert dated before Miss E bought the car. This stated that the car had been used for "greenlaning" and had some marks. And in the accompanying photographs extensive scratches and dents are evident.

Admiral instructed an independent engineer to inspect the car. He found that the reported damage was extensive and due to wear and tear and it was inconsistent with vandalism. I can't see that there was any contradictory engineering evidence for Admiral to consider.

Admiral's claims investigator then asked Miss E about the damage. She said the car hadn't had any or little damage when she bought it. She said all the scratches and dents were caused in the incident. But, based on the advert and the engineer's report, I'm satisfied that

it was reasonable for Admiral not to be persuaded by this. I think the extent of the existing damage would have been evident to Miss E when she bought the car.

I'm satisfied Admiral then reasonably decided that the damage hadn't been caused as Miss E claimed and that it was pre-existing. It then relied on the following policy terms and conditions on page 27 of the policy booklet:

"9. Fraud and misrepresentation

You must always answer our questions honestly and provide true and accurate information. If you, any other insured person, or anyone acting on your behalf, provides:

- *false, incomplete, exaggerated or misleading information...*

we will do one or more of the following things

- *change your policy to show the correct information, and change the premium accordingly*
- *cancel your policy immediately*
- *declare your policy void*
- *refuse to pay any claim or only pay part of a claim*
- *keep the premium you have paid*
- *recover any costs from you or any other insured person*
- *cancel or void any other EUI policies you are connected with"*

I'm satisfied that Admiral reasonably decided that Miss E had provided misleading information about the damage to her car. And I think Admiral was then entitled by the above terms and conditions to decline the claim, cancel the policy and retain Miss E's premiums. So I can't say that Admiral has treated Miss E unreasonably or unfairly.

My final decision

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 10 April 2026.

Phillip Berechree
Ombudsman