

## The complaint

Miss C complained about the way Admiral dealt with matters when she cancelled a claim under her car insurance policy.

Miss C is being represented by her father, Mr C in her complaint.

## What happened

Miss C reported an incident to her insurer Admiral on 4 April 2025. No other vehicle was involved.

Admiral arranged recovery of Miss C's car which was placed into storage.

On 9 April 2025 Mr C called Admiral. He asked Admiral to cancel the claim and they wanted to deal directly with the recovery company to cover the expenses for recovery and storage. Mr C explained they had decided due to the value of Miss C's car it wasn't worth making a claim. So they would arrange the disposal of the car themselves with the recovery company.

Admiral acknowledged the request. The agent said it had cancelled all the necessary instructions and Mr C could contact the recovery company when he was ready. The agent explained to Mr C they would be responsible for storage and recovery expenses, which Mr C agreed.

Mr C says Miss C was waiting for written confirmation from Admiral that the claim had been cancelled so that he could arrange the disposal of the car and pay the balance for storage and recovery directly. He said until Admiral cancelled the claim with its agents, the recovery company would only accept instruction from Admiral and so wouldn't carry out any instruction from Miss or Mr C.

Mr C contacted Admiral on 23 April 2025. Admiral gave the recovery company authority to accept Mr C's instruction on 24 April 2025.

Mr C complained to Admiral. It upheld Mr C's complaint that it had failed to contact the recovery company when Mr C cancelled Miss C's claim. It acknowledged that as Admiral had set up the claim, it should have contacted its supplier to advise them of the change.

Admiral also accepted that it had misrepresented the correct process to Mr C when it told him he had authority to instruct the recovery company. Mr C had explained that only Admiral's agent could instruct the recovery company on the claim cancellation.

Admiral apologised for its errors and paid Mr C £150 compensation. However, it didn't uphold his complaint that it should meet the costs for storage for 22 days – the time between Mr C calling Admiral to cancel the claim and Admiral confirming the cancellation of the claim with the recovery company. Admiral said in the call Mr C made on 9 April 2025; it told him they would be responsible for contacting the recovery company and paying storage charges.

Mr C remained unhappy and asked us to look at his complaint. He wants Admiral to reimburse him for the storage costs for 22 days. This comes to £672, which is £42 a day

including VAT. Mr C has settled the invoice with the recovery company in full, including recovery, mileage, and the remaining storage days.

One of our Investigators thought Admiral had acted reasonably. Mr C didn't agree and asked for an ombudsman to decide.

I issued a provisional decision on 2 January 2026. I thought Admiral should meet the costs for 22 days of storage and pay interest on the reimbursement. As Admiral deals with claims every day, it should have notified its supplier of the claim cancellation, but it didn't do this until Mr C contacted it. Mr C contacted it around three weeks later as when he contacted the recovery agent, it wouldn't accept his instruction without Admiral's agreement.

I didn't think it fair for Mr C to pay for 22 days storage because Admiral had failed to follow its own claims process sooner. It contacted the recovery agent only when Mr C prompted it of its failure to do cancel the claim on 9 April 2025. While Admiral hadn't said in the call it would confirm the cancellation of the claim in writing, I accepted Mr C's explanation as reasonable that he expected to receive this – in order to bring to the recovery company to deal with matters.

Mr C on Miss C's behalf accepted my provisional decision. Admiral didn't agree. It doesn't accept responsibility for Mr C waiting for written confirmation that was never promised. The agreement to cancel the claim was made verbally. Mr C didn't tell Admiral the cancellation hadn't been processed.

So as Admiral doesn't agree, the case has been passed back 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.

Having done so, my final decision remains along the same lines as my provisional decision.

Admiral upheld Mr C's complaint that it failed to cancel the claim with its agent when Mr C called it on 9 April 2025.

I agree Admiral told Mr C they were responsible for storage and recovery expenses with the recovery company. But my understanding is that Admiral holds Mr C responsible for failing to advise it of its error sooner. And so he is responsible for the costs of the additional days of storage.

I don't find this to be a fair outcome. as the insurer deals with claims every day. There doesn't seem to be a dispute that until Admiral confirmed the cancellation of the claim with its agent, the recovery company would not accept Mr C's instruction. As the insurer, Admiral should have dealt with this part of the claims process promptly when cancelling the claim on 9 April 2025. Had it done so, then I think it would be reasonable for Mr C to be responsible for storage charges after this date. But Admiral didn't follow its own claims process.

Having listened to the call recording from 9 April 2025, Admiral's agent didn't say it would provide written confirmation of the cancellation, which Mr C says Miss C was waiting for. But I don't think it was unreasonable for Mr C to expect to receive this in order to allow him to instruct the recovery company. And Admiral accepts its communication was poor.

I've considered Admiral's response to my provisional decision. When a claim is cancelled, I don't find it unreasonable for an insurer to confirm such a decision in writing to a customer.

It remains unclear as to why the responsibility of failing to inform its supplier on 9 April 2025 that the claim was cancelled falls to Mr C (on behalf of Miss C). Admiral accepts it failed to do this until Mr C contacted it again on 23 April 2025. He explained that the recovery agent would not accept instruction from him without confirmation from Admiral that the claim was cancelled.

So I think a fair outcome is for Admiral to reimburse Mr C for the costs of storage for 22 days at £672 which includes VAT as per the invoice provided. Admiral should pay interest on the reimbursement from the date Mr C paid to the date Admiral pays at our applied rate.

I think this, along with the compensation award of £150 for the distress and inconvenience caused, is a fair way to resolve the complaint.

### **My final decision**

My final decision is that I uphold this complaint. I require Admiral Insurance Company (Gibraltar) Limited to do the following:

- Reimburse for the costs of storage for 22 days at £672 including VAT.
- Pay interest on the £672 at a rate of 8% simple interest a year from the date paid – subject to proof of payment – to the date of reimbursement.

Admiral Insurance Company (Gibraltar) Limited must pay the compensation within 28 days of the date on which we tell it Miss C accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

If Admiral Insurance Company (Gibraltar) Limited considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Miss C how much it's taken off. It should also give Miss C a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

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

Geraldine Newbold  
**Ombudsman**