

## The complaint

Mr N has complained that his motor insurer, Admiral Insurance (Gibraltar) Limited ('Admiral'), didn't pay his claim in full after his car was stolen.

## What happened

I issued a provisional decision regarding this complaint earlier this month where I said I was not considering upholding it. An extract from that decision follows:

*"Mr N's car was stolen in May 2025 and so he made a claim on his motor insurance policy with Admiral. Admiral dealt with the claim but it didn't pay Mr N the full claim amount because it said that there were undeclared modifications which meant it would have charged a higher premium had it been aware of them.*

*Mr N didn't agree and complained. He said all modifications were declared in a lengthy call he had with Admiral when he took the policy out. He was also unhappy with the time it was taking for Admiral to deal with the claim.*

*Admiral upheld Mr N's complaint in part and paid him £75 compensation. It said it failed to progress Mr N's complaint appropriately which caused unnecessary delays. It also accepted that it no longer had the call when the policy was originally taken out in 2021. But it said the proportional settlement it paid was final.*

*Unhappy with Admiral's response Mr N brought his complaint to our service. He said the delay prevented him from purchasing a replacement car. He said he had to take time off work because of this as he couldn't commute to work in any other way. He said he wanted Admiral to pay his claim in full and to compensate him further for the delays it caused.*

*One of our investigators reviewed the complaint but didn't think Admiral had acted fairly. Our investigator said that as Admiral hasn't been able to provide the original call, it hasn't shown there has been a misrepresentation. Our investigator asked Admiral to settle the claim in full and pay Mr N an additional £100 compensation for the distress and inconvenience its handling of the matter caused him.*

*Mr N agreed with our investigator, but Admiral didn't and asked for an ombudsman's decision. It said that Mr N failed to advise it of any errors in the policy documents over three years and that the onus is on him to check the documents and ensure they are correct.*

*Our investigator didn't change his view, and the matter was then passed to me to decide.*

## **What I've provisionally 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.*

*The relevant law in this case is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). CIDRA requires consumers to take reasonable care not to make a misrepresentation when taking out a consumer 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 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 or reckless, or careless.*

*Admiral thinks Mr N failed to take reasonable care not to make a misrepresentation when he failed to declare the chipped engine management system, non-standard filters and the modified exhaust.*

*Admiral said the policy was taken out over the telephone in 2021 but due to the length of time that has passed since then, it hasn't been able to locate the relevant call. Mr N insists that he declared all the modifications during this call.*

*Admiral said that, in any event, Mr N failed to declare the modifications even after receiving his policy documents which showed that there were no declared modifications. According to Admiral, Mr N received those documents each year since 2021 and failed to notify it of the modifications.*

*As the original call no longer exists, I have considered Mr N's policy documents. The motor policy schedule and motor proposal confirmation documents both show that no modifications were declared. Both documents also provide examples of what modifications are and these include anything which changes the maker's standard specification or alters its performance, including cosmetic changes such as alloy wheels, body kits, or any non-standard parts. I think this makes it clear that the engine, the filters and the exhaust were modifications. And in any event Mr N himself said he was aware they were modifications. Furthermore, the documents also state that Mr N should check and ensure that everything is correct and notify Admiral if that is not the case. I haven't seen any evidence that Mr N has done that. It follows that I don't think Mr N took reasonable care not to make a misrepresentation.*

*Admiral has provided evidence to show that had the modifications been declared, it would have charged a higher premium. It valued the car at £7,885 and paid £7,700.49. It said this was based on the proportion of the premium Mr N paid compared to what he should have paid i.e. that Mr N paid 97.66% of the correct premium.*

*This means I'm satisfied Mr N's misrepresentation was a qualifying one. Admiral hasn't said what type of misrepresentation it considers this to be but bearing in mind it has agreed to a*

*proportional settlement I take it it considers this to be a careless misrepresentation. If it considered this to be reckless or deliberate it would have taken different action. I think it is fair and reasonable to consider this to be a careless misrepresentation as there is nothing to suggest that Mr N intended to hide the modifications from Admiral. In fact, he was the one who mentioned them early on in the claim.*

*As I'm satisfied Mr N's misrepresentation should be treated as careless I've looked at the actions Admiral can take in accordance with CIDRA. In these circumstances, Admiral's decision to settle the matter proportionately is in line with CIDRA. It has provided information which unfortunately I am unable to share with Mr N as it is commercially sensitive, which shows that the reduction made was correct.*

*Mr N was also unhappy with delays in Admiral reviewing the claim and raising the settlement. He also said he was initially told he would receive the full pre-accident value for his car. I see that there were some delays and miscommunication, for example, Mr N's initial complaint was closed prematurely. And he also had to chase for his settlement. Taking this into account and also bearing in mind the matter was settled just over three weeks from the date of the accident, I think Admiral's £75 compensation payment is fair and reasonable. And in arriving at this decision I have also borne in mind the time it would have taken to investigate the modifications before arriving at the final settlement figure.*

*I understand that my decision will come as a disappointment to Mr N. I appreciate the time and effort he has taken to explain his concerns, and I understand the impact this situation has had on him. I have carefully considered all the evidence and arguments to reach what I believe is a fair and reasonable outcome under the relevant legislation. If Mr N has any further evidence or comments, I will be happy to review them before making my final decision."*

Mr N responded to my provisional decision but he did not agree with it. He reiterated that Admiral initially said it would pay the full pre-accident value but then changed its mind which it shouldn't be allowed to do. He insisted that he declared all the modifications he had on his vehicle, and that as the original call doesn't exist there is no way of proving that he didn't. Mr N also said he assumed these had been added to his policy which continued to renew so he didn't check it in detail each year. He asked why I had taken Admiral's side without any evidence either way.

Admiral didn't respond to my provisional decision but as I was not considering upholding the complaint I decided to proceed with my 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.

Mr N has raised two main points in his response to my provisional decision. His first point is that Admiral should not have been allowed to change its mind and pay him a lower settlement figure. I understand Mr N's frustration as well as his disappointment regarding Admiral's decision to later reduce the settlement figure. Admiral wrote to Mr N on 5 June 2025 saying it had assessed the market value for his vehicle at £7,885 and that, after

deducting the excess, it would pay him £7,735. Nevertheless, the same letter stated that this amount was subject to completion of all necessary checks and that Admiral reserved the right to amend this amount should further information come to light. Based on the contents of this letter I think Admiral made it clear that it was still carrying out validation checks, which is something it is entitled to do. So I don't think it has done anything wrong in this regard.

Mr N's second point is that there is no evidence either way to say whether he declared all the modifications or not- he insists he did in his initial call with Admiral in 2021. The call no longer exists but this doesn't mean that there is no other evidence that I can rely on in reaching my decision. As I said in my provisional decision, the policy documents Admiral issued to Mr N each year did not include any modifications. And the documents also required Mr N to check their accuracy and inform Admiral if something wasn't correct. I haven't seen any evidence of Mr N doing so; he has said that he didn't check his documents in detail each year because he assumed the modifications were included. As I explained in my provisional decision, Mr N has to take reasonable care to provide Admiral with accurate information. And this includes checking his policy documents to ensure the information they contain is correct and informing Admiral if that isn't the case. I haven't seen any evidence of this.

The rest of my findings are the same as the findings I made in my provisional decision and now form the findings of this, my final decision.

### **My final decision**

For the reasons above I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 25 February 2026.

Anastasia Serdari  
**Ombudsman**