

The complaint

Mr N has complained that his motor insurer, Admiral Insurance (Gibraltar) Limited, made a mistake when insuring his vehicle which meant that he was uninsured for six months.

What happened

I issued a provisional decision regarding this complaint last month. In that decision, I said that I was considering upholding the complaint and asking Admiral to pay Mr N a further £150 compensation for the distress and inconvenience it caused him. An extract from that decision follows:

“In July 2024 Mr N took out a motor insurance policy with Admiral. In December 2024 he replaced his car and asked for the new car to be placed on cover. He was told there would be an additional premium of £255.13 which he agreed to. Despite this, the policy was not updated and the new car was uninsured.

Mr N became aware of this in April 2025 when he received a letter from the relevant authority informing him his car had no insurance. He contacted Admiral to rectify the error and was told there would be an additional £224.10 premium. Mr N didn't agree as he had already paid an additional premium with regards to that car. The handler told him they would look into this and call him back but they never did. The £224.10 was taken out of Mr N's account a week or so later, in early May 2025.

Mr N complained in May 2025 regarding the car details not being updated correctly and about not receiving a call back. Admiral said it upheld the complaint and awarded Mr N £150 compensation.

Mr N called Admiral again in July 2025 as he hadn't had further updates. He spoke to a handler who said they would call him back within 24-72 hours but failed to do so.

Mr N raised a further complaint regarding the £224.10 deduction and for receiving no call back. He was also unhappy with Admiral's failure to provide him with a written letter of indemnity. Admiral responded to Mr N's complaint in August 2025 and upheld it. It said it would be issuing a letter of indemnity to confirm there was cover from December 2024 within 48 hours. In relation to the £224.10 deduction, it said it would raise a further £74.10 as it had already refunded £150 in May 2025. In recognition for its error, it also awarded Mr N £303.81 compensation for the distress and inconvenience it caused him. This included £3.81 interest on the £224.10 between May and August 2025.

Mr N didn't consider that Admiral's award adequately compensated him for the distress and inconvenience he experienced. He then brought his complaint to our service.

One of our investigators reviewed the complaint but didn't think Admiral had to take further action. Our investigator said that the offers it had made amounted to fair and reasonable compensation for the distress and inconvenience it caused Mr N.

Mr N didn't agree and asked for an ombudsman's decision. He said that it wasn't acceptable that Admiral took money from his account without his permission. He added that it made repeated mistakes even after it rectified the error with the car insurance.

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.

It is accepted by both parties that Admiral failed to correctly update the new car details Mr N provided to it in December 2024. This resulted in the car being uninsured for a number of months, until Mr N reported the matter to Admiral at the end of April 2025.

What I need to decide is whether the compensation offered to Mr N is appropriate for the distress and inconvenience he suffered as a result of Admiral's error.

Mr N first complained to Admiral in May 2025. He was unhappy because when he called in April 2025 he was told that there would be an additional premium of £224.10. Mr N was unhappy about this because he had already paid £255.13 by way of an additional premium in December 2024. And he said he paid his yearly premium in full so he didn't expect to have to make further payments.

My understanding is that Admiral accepts that the £224.10 should not have been charged because it has since refunded this to Mr N. I think this is fair and reasonable.

Admiral also agrees that the £224.10 was taken out of Mr N's account despite the fact that he didn't agree to pay it and also without prior contact. And this is despite the handler who spoke to Mr N in April 2025 saying they would look into the matter and call him back. So I can see that it wasn't only the fact that the money was deducted which was frustrating for Mr N, but also the fact that he hadn't agreed to pay it at all and that it was taken without his permission.

Admiral told Mr N that it had resolved his May 2025 complaint by awarding him £150 compensation for its mistake and for failing to call him back. However, in its August 2025 final response Admiral reclassified that £150 as part of the refund of the £224.10 rather than as compensation. As a result, Mr N had not actually received any compensation at that stage. Given that Admiral accepts the £224.10 should never have been taken, it should have refunded the full £224.10 and separately compensated Mr N for the inconvenience caused.

Despite correcting the car details in April 2025, Admiral failed to provide Mr N with an indemnity letter confirming there had been continuous cover since December 2024, only issuing it in August 2025—around four months after it was first requested. I consider this to be poor service.

When Mr N complained to Admiral, he raised several understandable concerns about having unknowingly driven without valid insurance for a number of months. He explained that he could have been stopped by the police, received points on his licence or a fine, or faced more serious consequences had he been involved in an accident. Admiral confirmed that, if Mr N had been stopped, it would have been able to clarify that there was no gap in cover and that his uninsured status had appeared only because of its own error. I think this explanation was fair and reasonable.

I recognise how distressing it must have been for Mr N to discover that he had been driving without valid insurance for so long. But, as our investigator explained, we can only award compensation for distress and inconvenience arising from events that actually occurred as a result of Admiral's error—not for potential outcomes that did not happen. This means we can compensate Mr N for the distress of discovering he wasn't insured and for the distress and frustration caused by Admiral taking £224.10 from his account without his consent. However, we cannot award compensation for the possibility of being stopped by the police, receiving points or a fine, or facing other hypothetical consequences, as these did not occur.

As I have explained above, I considered Admiral's service to be poor, and it failed to take appropriate corrective action when its mistakes were brought to its attention. These errors were repeated several times over a number of months, which I think will have been particularly distressing and frustrating for Mr N, who had to chase matters repeatedly in order to get them resolved. Admiral said it had awarded Mr N £150 compensation for the initial error and for failing to call him back after he disputed the £224.10 premium. However, as set out earlier, its August 2025 final response treated that £150 as part of the refund of the £224.10. This meant that, in practice, only the £300 compensation was paid. In these circumstances, I consider that a further £150 is warranted to reflect Admiral's repeated errors and the prolonged distress and inconvenience Mr N experienced. As the additional £150 Admiral says it awarded was never actually paid, I think it is fair and reasonable for Admiral to pay this now, bringing the overall compensation in line with awards we make in similar cases."

Mr N didn't accept my provisional decision and other than saying he wanted to take Admiral to court he said he had nothing further to add. Admiral accepted my provisional 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.

As neither party had anything further to add in response to my provisional decision I haven't changed any of the findings I made in that decision. So those findings are now the findings of this, my final decision.

My final decision

For the reasons above I am upholding this complaint. In addition to the £224.10 refund, £3.81 interest and £300 compensation already paid, Admiral Insurance (Gibraltar) Limited must pay Mr N a further £150 compensation for the distress and inconvenience it caused him.

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

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 31 March 2026.

Anastasia Serdari
Ombudsman