

## **complaint**

Miss O complains that Admiral Insurance Company Limited cancelled her car insurance without good reason or giving her proper notice that it was going to do so.

## **background**

Miss O took out the policy with Admiral in March 2014. Her mother, Mrs O, was a named driver. Miss O renewed the policy in 2015 and again in 2016. On 23 August 2016 Admiral asked her to send a utility bill, the V5 registration document and copies of the front and back of her driving licence and that of Mrs O. It sent a follow up letter on 30 August warning that, if she didn't supply these documents, her policy would be cancelled.

Mrs O couldn't find her driving licence and was about to go on holiday. So on 2 September Miss O called Admiral to say that, as she couldn't send in Mrs O's licence, Mrs O would need to come off the policy. The adviser she spoke to asked her a number of questions, including about how the policy had been set up in 2014. Miss O explained that, as she didn't have a laptop, she'd set up the policy with the help of a friend who did have one. The adviser then told Miss O, because the laptop had been used to set up seven other policies, her policy would be cancelled immediately as the underwriters had concerns about this.

When Miss O protested, the adviser agreed that the policy could run until 5 September. He said she would get a full refund of her premium. The policy was cancelled with effect from 5 September. Miss O complained that by November she still hadn't had a refund.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've listened to the recording of Miss O's call to Admiral on 2 September. I'm satisfied that she did her best to answer the questions the adviser put to her in a straightforward and truthful way, and that she was genuinely shocked when the adviser told her that her car insurance was about to be cancelled.

I'm also satisfied that she had done everything she could to comply with Admiral's request for documents and that her reason for calling was to try and sort out her insurance policy, given that Mrs O's licence couldn't be found and she wasn't going to be around to help sort it out. Indeed I'm not sure what else she could do.

Unfortunately that was not how Admiral saw it. It appears to have treated her acceptance that her mother would need to be removed as a named driver as being in itself suspicious:

*'this would raise concerns for our Driver Validation Team with the fact that the customer was so quick to request for us to take her mother off the policy. We therefore did not accept her request because we did not have the relevant documents to validate.'*

Admiral had told Miss O that, unless she sent in the documents it had asked for, her policy would be cancelled. Miss O could not comply in full with that request so phoned Admiral to put forward a sensible solution to the problem. She had no reason to suppose Admiral had any other concerns about the policy because it had never asked her about how the policy had been set up before. If this had been a major concern, I would have expected Admiral to question her about it as soon as it became aware of the potential problem.

I can see nothing suspicious about Miss O asking for her mother to be removed as a named driver. I have no doubt that her priority was to avoid having her car insurance cancelled. Admiral had warned her it would do so, if it didn't have everything it had asked for. So it's hardly surprising she reacted quickly when she realised her mother's licence was lost.

Once Mrs O's name was removed from the policy, Admiral would have had everything it needed to validate the policy. Equally, if Mrs O had been able to find her driving licence, the policy would presumably have been validated since Miss O would have given Admiral everything it had asked for.

Admiral was perfectly entitled to investigate any concerns it had about Miss O. But I don't think it acted fairly when it cancelled the policy, having treated her request for her mother to come off the policy as suspicious. She'd done her best to provide the validation documents it wanted and given a reasonable explanation as to how the policy had been set up. Admiral was happy to renew the policy twice, so it doesn't seem, apart from using a friend's laptop to set up the policy in 2014, that there were any other concerns.

Admiral says it refunded the full premium Miss O had paid on 6 September 2016. It has provided additional information to confirm this. If Miss O has still not had the refund she will have to pursue this with her bank.

Miss O says she ended up paying more for car insurance because she couldn't get a cheaper policy using the internet due to the cancellation. So she has asked to be compensated for this. It's not for me to speculate on what deal Miss O might have been able to get if the policy hadn't been cancelled. If she has proof that her current policy was more expensive because of the cancellation on her record, I would expect Admiral to reimburse her for this along with interest of 8%. I will also direct that Admiral pay Miss O £100 for the trouble and upset the cancellation of her policy caused.

### **my final decision**

I uphold the complaint. I require Admiral Insurance Company Limited to:

- Amend its internal and the external insurance databases to remove the record of the cancellation of Miss O's policy;
- Confirm in writing to Miss O that the policy was cancelled in error;
- On Miss O providing proof, reimburse her for any additional premium she has had to pay as a result of the cancellation, along with simple interest of 8% a year from the date of payment until settlement of the complaint;
- Pay Miss O £100 for her trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 27 March 2017.

Melanie McDonald  
**ombudsman**