

complaint

Mr S has complained that Admiral Insurance Company Limited didn't tell him it had cancelled his motor insurance policy. He was later involved in an accident and found out that he wasn't insured after he reported the accident to Admiral.

background

Mr S bought his policy with Admiral and paid for his premium in full for the year. He then changed his car and contacted Admiral to tell it. Admiral said it would collect the additional premium he owed it for his new car from the card it held on record.

Admiral couldn't collect the additional premium because Mr S's card details had changed since he bought his policy. So it wrote to him and emailed him twice and warned him that his policy would be cancelled if he didn't pay it the balance premium.

Mr S didn't reply to Admiral so it cancelled his policy and wrote to him to confirm the cancellation. Mr S said that he didn't receive any emails or letters warning him that his policy may be cancelled. He did receive the cancellation letter but he said that he received it only the day before the accident. He said that although it was dated 28 April, it wasn't delivered to him until 8 May. He hadn't opened the letter until after the morning of 9 May, when he was unfortunately involved in an accident.

Mr S complained to Admiral about its decision. He thought it should have tried harder to contact him by calling him. He didn't believe it had sent him any letters before the cancellation letter of 28 April and he thought it hadn't sent this on the same date because of how long it took to reach him by post.

The adjudicator initially recommended that Mr S's complaint be upheld as she didn't think Admiral had shown that it had written to Mr S as well as emailed him to warn him of the cancellation before its cancellation letter. She thought that it hadn't cancelled Mr S's policy reasonably as its cancellation letter was sent five days after the cancellation date instead of immediately. She felt that it should have asked Mr S for more information about his card and if it had, it would have known when Mr S called it that it needed updated card details to collect the balance premium. She recommended that Admiral reinstate Mr S's policy and consider his claim for the accident. She also recommended that the cancellation be removed from internal and external databases and it refund any additional premium Mr S has had to pay as a result of the cancellation recorded against his record. She recommended that Admiral pay Mr S £200 compensation for the trouble and upset it caused him.

Admiral didn't agree. It provided a call recording to show that Mr S was aware of the cancellation warning email as he referred to receiving one from Admiral around 16 April. It said that its notes show it printed the two letters so there's nothing to suggest they weren't sent and Royal Mail didn't return any undelivered letters to it. It said that although its letter confirming cancellation was dated 28 April, the cancellation was backdated to 23 April at the point when it sent the letter.

The adjudicator changed her mind and didn't recommend that Mr S's complaint be upheld. She felt that the call recording showed that Mr S did receive an email from Admiral so he most likely received the emails warning him about the cancellation.

Mr S didn't agree because he said that the email he received from Admiral on 16 April was an advert and not related to his policy. The email address that it came from was different to the email address its policy cancellation warnings came from, which he said went directly into his junk folder so he didn't see them. He thought that in light of the adjudicator's view, Admiral must have provided further proof of sending him letters which he questioned as to why it didn't send this in the first place. He didn't think Admiral had done enough to show that it wrote to him on 3 and 13 April to warn him that his policy may be cancelled and the payment was due.

As Mr S didn't agree, the matter has been referred to me to decide.

my findings

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

As there are serious implications of being uninsured, we expect insurers or brokers to give a policyholder notice of intention to cancel a policy and immediate confirmation afterwards, when the policy is actually cancelled.

I think there has been a misunderstanding between Mr S and the adjudicator's revised findings. Admiral hasn't sent any new evidence to show that it wrote to Mr S but the adjudicator was later satisfied that the internal notes Admiral originally provided showed that it did write to Mr S on 3 and 13 April.

I've seen Admiral's internal notes and I am satisfied that it both emailed and printed letters on 3 and 13 April to Mr S. The fact that Mr S says he did not receive these is unfortunate but I don't hold Admiral responsible for this. Admiral asked Mr S on 3 April, two days after he called it to tell it he'd changed his car, to contact it within seven days to pay the balance that it couldn't collect from his card. It warned him that his policy would be cancelled. It wrote again to Mr S as well as emailed him on 23 April and told him his policy would be cancelled in seven days if it didn't receive payment. I am satisfied that Admiral took reasonable steps to resolve the situation before cancelling Mr S's policy.

Admiral wrote to Mr S on 28 April to tell him that it had cancelled his policy. Mr S said that he didn't receive this letter until 8 May which was over a week later. But Admiral's notes support that it sent the letter on 28 April as the letter was dated - so I don't hold it responsible for any postal delays.

Crucially what isn't in dispute is the fact that Mr S did receive the cancellation letter from Admiral that told him he was no longer insured. Whilst I think it was very unfortunate for Mr S that he didn't open the letter when he received it, I can't hold Admiral at fault for this, particularly given that it wrote to him and emailed him twice before. The cancellation letter was in Mr S's possession.

Mr S says that he had another car which he insured elsewhere. So if he knew he wasn't insured, logically he would have driven the car that was insured instead. He feels that we have inferred that he made a reckless decision to drive a car that he knew wasn't insured.

I've no reason to doubt Mr S that he didn't open the letter until the following day so he may not have known that he wasn't insured. But I think Admiral has shown that it alerted Mr S promptly to the problems it had in collecting the balance payment, and warned him of the cancellation of his policy, which is different to inferring that Mr S knowingly drove uninsured. Taking everything into account, I think Admiral's decision to cancel his policy was a reasonable one. Consequently I don't think it should deal with Mr S's claim.

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 Mr S to accept or reject my decision before 8 February 2016.

Geraldine Newbold
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