

The complaint

Mrs H complains that Admiral Insurance (Gibraltar) Limited unfairly cancelled her motor insurance policy.

Mrs H is being represented by her partner Mr B, whom I will refer to separately.

What happened

Mrs H held a motor insurance policy with Admiral.

Admiral became concerned that the information Mrs H had given when she took out the policy wasn't correct. So, it asked Mrs H to get in touch within seven days or the policy would be cancelled. Admiral didn't hear back so it cancelled the policy with no fees and provided a full refund.

Mrs H has said she was unwell at the time, and said she spoke to Admiral a few weeks later. Admiral asked various questions to try to validate the information it had been given when the policy was set up. Admiral wasn't satisfied with the answers, so it took the decision not to reinstate the policy.

When Mrs H complained, Admiral looked into things but didn't uphold the complaint. It said it was within its rights to cancel the policy because Mrs H had given incorrect information. And it didn't think it had provided poor service.

Unhappy with Admiral's decision, Mr B brought Mrs H's complaint to the Financial Ombudsman. Mr B said Mrs H was ill in hospital at the time this all happened and was on strong medication, so she wasn't able to give accurate answers. He also said Admiral's agent was rude and mistreated Mrs H.

Our investigator looked into things and didn't think the complaint should be upheld. He thought Admiral had shown that incorrect information had been given, and that Admiral was justified to cancel the policy – so he didn't recommend anything further.

Mr B didn't agree. He said Mrs H told Admiral that she wasn't able to answer the questions at the time, and said she confirmed that the information she'd given in the first place was accurate. He also said our investigator didn't take into account the attitude of Admiral's call handler.

The case has therefore been passed 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, I've decided not to uphold the complaint for broadly the same reasons as our investigator. I understand Mrs H will be disappointed by this, but I'll explain why I've made this decision.

Cancelling a motor insurance policy is a serious action for an insurer to take and can have significant consequences for policyholders. So, I've thought carefully about the actions Admiral has taken, whether it followed the terms and conditions of Mrs H's policy and whether it acted fairly in doing so.

Admiral first wrote to Mrs H in August 2023 to say it was concerned about information it had been given when the policy was set up – so it gave Mrs H notice of its intention to cancel in seven days if it didn't hear from her.

Regarding Admiral's cancellation rights, Mrs H's policy said the following:

“We can cancel your policy at any time by sending seven days' notice in writing to your last known address if:

...
you fail to respond to written requests for information or documentation.”

The policy also allowed Admiral to cancel with immediate effect if it was given false, incomplete, exaggerated or misleading information.

Admiral has shared confidential information with our service about what prompted it to write to Mrs H in the first place. While I can't share this information here, Admiral has explained its concerns and I think they were reasonable. So, when Admiral didn't hear back from Mrs H, I think it was fair for it to cancel the policy in line with the above terms.

Mrs H says she was in hospital and so it wasn't fair for Admiral to have only given a week for her to get in touch. I've kept in mind that the terms of Mrs H's policy allowed Admiral to cancel the policy by giving seven days' notice – and I'm satisfied it did so. But I also think it was reasonable for Admiral to have considered reinstating the policy if Mrs H was able to address its concerns.

So, I've listened to the call that took place in September 2023. Mr B says Mrs H was on strong medication having come out of hospital. He says Mrs H pleaded with Admiral that she couldn't answer its questions at the time. Admiral says Mrs H failed to verify the information it asked for, so it didn't reinstate the policy.

The person Admiral spoke to said they were Mrs H and confirmed they were the policyholder. But the majority of answers Admiral was given were either incorrect or not recalled. This included which website the policy was purchased from, the price, any additional drivers, Mrs H's occupation, her annual mileage, and her no-claims discount details. When Admiral enquired further, particularly about Mrs H's occupation, Admiral was given conflicting answers; none of which matched what had been given when the policy was set up.

Having listened to this call, I can understand why Admiral wasn't satisfied with the answers it was given. I recognise that Mr B feels Admiral already had all the information and shouldn't have needed to verify it. But, given the concerns Admiral had, I don't think it was an unreasonable request, to ensure its contract of insurance with Mrs H was valid and based on accurate information. And, while I appreciate the original answers had been given six months earlier, I think the questions related to things that would have been ongoing and readily apparent.

I've considered what Mr B has told us about Mrs H being unwell. This was only mentioned at the very end of the call. By that point, Admiral's questions had already been answered

incorrectly. And I'm not persuaded there was anything earlier in the call that would have prompted Admiral to have been aware of any ill health or vulnerability, so as to have done anything differently. While I'm sorry to hear that Mrs H has been unwell, I don't think I can say Admiral was wrong not to reinstate her policy.

In terms of the service provided, I don't think the agent was rude or inappropriate. While they did place the call on hold for a few minutes, I don't consider that unreasonable.

While I recognise my decision will be disappointing for Mrs H, I'm not persuaded that Admiral has done anything wrong in cancelling this policy – so I don't require Admiral to do anything further.

My final decision

For the reasons outlined above, I don't uphold Mrs H's complaint about Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 20 March 2024.

Chris Woolaway
Ombudsman