

The complaint

Mr B complains that Admiral Insurance (Gibraltar) Limited (“Admiral”) cancelled his insurance policy with immediate effect.

What happened

Mr B bought a car insurance policy from Admiral starting on 3 August 2023.

On 10 August Admiral wrote and emailed him saying it needed to discuss his policy information as it thought he’d used some incorrect information when he’d set up the policy. It gave him seven days to respond, or his policy would be cancelled.

Mr B called Admiral on 11 August. It asked him several questions about his policy. In the call Admiral said it would cancel his policy with immediate effect with a full refund of premium.

Mr B complained to Admiral that it had unfairly cancelled his policy and about the service he’d received. Admiral looked into it and said it thought it made the correct decision but it agreed some of its service had been poor. It awarded him £50 compensation.

As he remained unhappy, Mr B brought his complaint to this service. Our investigator thought it wouldn’t be upheld. She agreed that Mr B had spent a long time on the call when his policy was cancelled, but she thought Admiral’s payment of £50 compensation was sufficient. But she didn’t think Admiral acted unfairly in how it cancelled his policy.

Mr B didn’t agree. Because he didn’t agree, his complaint has been passed to me to make a 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.

I’m not upholding Mr B’s complaint. I’ll explain why.

I’ve listened to the call between Mr B and Admiral during which Admiral checked the information he’d given it and, ultimately, cancelled his policy. During the call Admiral asks him several questions including his occupation, about exactly how he paid for the policy and his proof of no claims discount entitlement that Mr B wasn’t able to answer definitively.

Admiral chose to cancel Mr B’s policy under part of its general conditions. It’s confirmed that the cancellation was under its fraud and misrepresentation condition:

“9. Fraud and misrepresentation

You must always answer our questions honestly and provide true and accurate information. If you, any other insured person, or anyone acting on your behalf, provides:

- *false, incomplete, exaggerated or misleading information*
- *false, altered, forged or stolen documents,*

we will do one or more of the following things

- *cancel your policy immediately”*

I can see from the file of evidence that some of the details provided by Mr B when he'd taken out the policy were also 'flagged' as they triggered fraud warnings in its system and seemed to link other policies together. It was these system-generated flags that led to Mr B being asked by Admiral to validate his details.

I've thought carefully about Admiral's approach here. It spotted some issues it had relating to Mr B's policy. It asked him to contact it regarding these issues, or it would cancel the policy within seven days. Then, when Mr B called it to validate his information, he wasn't able to give Admiral the same data he'd previously supplied it when he'd taken out the policy shortly before. Admiral has a responsibility to validate the information given to it by its customers.

Because Mr B wasn't able to provide or confirm this information correctly to Admiral, it chose to cancel his policy with immediate effect. Its terms allow it to do this, and I think its application of those terms is fair and reasonable. So I can't agree its cancellation of Mr B's policy was unfair.

In the call, I can hear Mr B is placed on hold for about half of the total 30 minute call time, including his complaint, which seems slightly excessive. However, the call handler is dealing with some complex issues around Mr B's account which required delicate handling and I think Admiral acted fairly and reasonably throughout.

Admiral had paid Mr B £50 compensation for the long hold times during the call, and I think its offer is fair and in line with this service's recommendations.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 26 March 2024.

Richard Sowden
Ombudsman