

The complaint

Mr V complains that Admiral Insurance (Gibraltar) Limited (Admiral) unfairly cancelled his motor insurance policy.

What happened

Mr V took out a telematics motor insurance policy with Admiral in September 2023. The terms of the policy required Mr V to install a telematics device (referred to by Admiral as LittleBox) to monitor his driving. The LittleBox terms explained that Admiral would assess a driver's behaviour (based on the data provided from the LittleBox) to determine how safe Admiral interpret their driving score to be. The terms said "... **if your driving behaviour and driving score indicate your driving is poor, you will fall into our Driving Score Cancellation process and we will cancel your policy (giving you 7 day's notice of cancellation in writing).**

On 30 November Admiral wrote to Mr V issuing him with a notice of cancellation. Admiral said the data it had received from the LittleBox had placed him in the Driving Score Cancellation process. Admiral sent Mr V a notice of cancellation. Admiral also said that under the terms of the policy, Mr V needed to pay the annual premium due to a previous claim he'd made.

Mr V complained to Admiral. He said he was never given an opportunity to improve his driving score or that he was made aware his driving score could lead to the policy being cancelled. Mr V also says he was told his policy would remain active while his complaint was being investigated. That wasn't the case and the policy was cancelled in line with the cancellation notice. Mr V says he was driving uninsured due to the incorrect advice Admiral gave him. Admiral offered £200 in compensation for the service it had provided. Mr V remained dissatisfied and referred the complaint to our Service.

Our Investigator said Admiral had acted in line with the policy terms when cancelling Mr V's policy. But the Investigator said the compensation Admiral had offered didn't fairly reflect the trouble and upset caused and recommended Admiral pay a further £100.

Admiral accepted our Investigator's recommendations. Mr V disagreed. He asked for an Ombudsman to review the complaint.

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'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I've read and considered everything that has been provided.

Mr V's policy explains Admiral can cancel the policy, giving seven days notice, if a customer's score is rated 'poor'. The driving rating is based on a number of factors including how and when a customer drives. The data Admiral received from Mr V's LittleBox showed

he was driving late at night which had a negative impact on his overall rating. Admiral rated Mr V's driving score as poor. So, it sent Mr V a seven day notice of cancellation. As Admiral acted in line with the policy terms, I don't agree Admiral acted unreasonably when it cancelled Mr V's policy.

Mr V says Admiral didn't make him aware of his driving rating or an opportunity to improve his score before the policy was cancelled. But I can see Admiral sent Mr V three emails from when the policy started until it was cancelled. Each email told Mr V his driving rating and how he could improve it. I'm satisfied Admiral provided clear information to Mr V on his driving rating and how he could improve things.

Mr V is unhappy Admiral has pursued him for the full years premium even though the policy cancelled mid-term. The policy booklet says "*if a claim has been made during the **period of insurance, you must pay the full premium and no refund will be given***".

What this means is that, if a claim is made against the policy, which Mr V hasn't disputed he made, the policy holder, Mr V in this case, would need to still pay the full years premium. Given the policy documents state that full premiums need to be paid in the event of a claim, I don't think it's unfair of Admiral to ask Mr V to repay the outstanding premium.

There's no disagreement that Mr V was led to believe his policy remained active, which meant he continued to drive. I can understand that it must've been a worrying experience for Mr V to discover he'd been driving without cover for a few days. It's fortunate this mistake didn't have more serious consequences for Mr V. But I'm not able to make an award for something that might've happened. Instead, I have to consider the impact Admiral's mistake had on Mr V. He wasn't aware there was a problem until he received the confirmation of cancellation notice. I consider Admiral's offer of £300 compensation fairly reflects the shock and disappointment of Mr V discovering he'd been driving without cover. So I make no further award.

My final decision

My final decision is I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to pay Mr V a total amount of £300 in compensation for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 25 October 2024.

Adam Travers
Ombudsman