

## **The complaint**

Mr U says Admiral Insurance (Gibraltar) Limited (Admiral) pursued him for a debt unfairly following the cancellation of his motor insurance policy.

## **What happened**

Mr U cancelled his telematics insurance policy in July 2023. He says Admiral told him he owed £64.69, and that it instructed a debt collection agent. He says he asked for an explanation of the charges, but the response wasn't clear. Mr U says he later received confirmation that Admiral had received the telematics device he'd returned. He was then refunded £16.59. Mr U then received a letter from the debt collection agent telling him the debt had been written off.

Mr U says he was worried and stressed by Admiral's mishandling of this matter due to concerns about his financial situation. He asks that it pays him £500 compensation.

In its final complaint response dated 9 August 2023 Admiral says it wrote to Mr U on 5 July when he cancelled his policy. It told him there was a balance of £33.41 that it would collect via the payment provision he'd set up. It says the balance was calculated correctly. Admiral says a default letter was sent six days later as the payment couldn't be collected. This told him to make contact to provide payment within 14 days. It says payment wasn't provided so it instructed its collections team to recover the amount owing. Admiral says it's sorry Mr U was stressed by this matter, but it was satisfied it followed the correct procedures.

Mr U didn't think he'd been treated fairly and referred the matter to our service. Our investigator didn't uphold his complaint. She says Admiral had shown that it calculated Mr U's remaining balance correctly when he cancelled his policy. It had written to advise him of this and informed him when payment was due and what would happen if he didn't pay. She says the balance included a £50 fee that was cleared when Mr U returned his telematics device on 7 August 2023. This resulted in him receiving a payment for £16.59. Our investigator says that overall, she thought Admiral had acted fairly.

Mr U didn't accept our investigator's findings and asked for an ombudsman to consider his complaint.

It has 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'm not upholding Mr U's complaint let me explain.

Mr U agreed a telematics policy with Admiral. This means he agreed to install a device in his car to record information about his driving. In the event that he decided to cancel his policy mid-term, which is what he did here, the policy terms say:

*“Admiral LittleBox Plug and Drive - If you decide to cancel your policy before the end of your policy term or before we have asked you to return the unit, you will be charged a hardware fee of £50.00 until you have posted the unit back to us and we have received it.”*

We asked Admiral to provide a breakdown of the outstanding balance it calculated when Mr U cancelled his policy. It responded to say for his time on cover the charge was £151.17. In addition to this was the £50 fee it refers to as a cancellation fee, which is refundable on return of the telematics device. In total this amounted to £201.17. It says Mr U had paid £167.76 at the time he cancelled, which left £33.41. When it received the telematics box back, on 7 August, it refunded Mr U with £16.59.

From this information I'm satisfied that Admiral calculated Mr U's balance correctly. It refunded the £50 fee as per its policy terms when the telematics device was returned.

Once he'd cancelled his policy Admiral wrote to Mr U to say he owed £33.41, which included an administration charge for £50. I asked both Admiral and Mr U to show where he was asked to pay £64.69, as he has mentioned in his complaint. Mr U didn't respond. Admiral says it didn't refer to this amount.

I've listened to the call from 5 July 2023 when Mr U cancelled his policy. Admiral's agent explains the final balance includes a fee for £50 that will be removed if Mr U returns the telematics device. Mr U confirms that he understands. Later on in the call the agent repeats that £50 will be removed once the telematics device is returned.

Having considered all of this I don't think Admiral calculated Mr U's account balance incorrectly. I think the information it provided in writing and during the cancellation call was clear. Based on this evidence, I don't think Admiral did anything wrong. So, I can't fairly ask it to do anything more.

### **My final decision**

My final decision is that I do not uphold this complaint.

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

Mike Waldron  
**Ombudsman**