

## **The complaint**

Miss H complained that Admiral Insurance (Gibraltar) Limited (“Admiral”) didn’t communicate properly when cancelling her motor insurance policy, so she inadvertently drove without cover. Miss H had representation during the claim, but for ease and simplicity, I’ll only refer to Miss H.

## **What happened**

Miss H made a claim when a third-party car caused damage to her own. Although her car was still road worthy and driveable, Admiral determined the car was uneconomical to repair.

Admiral confirmed to Miss H that she was still insured to drive the car whilst the claim was still being processed.

Admiral made an offer to cash settle the claim. Two days later, whilst still considering the offer, Miss H received a letter from Admiral telling her Admiral had cancelled her policy the day before. Miss H is unhappy as she wasn’t properly communicated to about the cancellation of her policy. It left her in the position that she had driven her car uninsured, which if stopped and prosecuted, carries a six-point penalty and a £600 fine.

Admiral acknowledged its error and paid Miss H £300 for the trouble and upset caused. Miss H thinks this is inadequate. Miss H said the financial consequences could’ve been life changing for her if something had happened whilst she was uninsured. Miss H doesn’t think it compensates her for the distress she’s suffered or the time the claim has consumed.

Our investigator decided not to uphold the complaint. He thought Admiral had poorly communicated the cancellation of Miss H’s policy, but he thought the compensation offered was fair in the circumstances. Miss H disagreed, so the case has been referred to an ombudsman.

## **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 appreciate if something unfortunate had happened whilst Miss H had been driving without insurance, then it may have left Miss H in a difficult position which might have put her in a position of vulnerability and distress.

Fortunately, this didn’t happen. So, I don’t expect Admiral to compensate Miss H for something that didn’t happen. It’s a hypothetical situation. Fortunately, these circumstances didn’t materialise. We also don’t know what Admiral may have done if something unfortunate had occurred. Admiral may have covered any losses anyway. Our service only asks for actual losses to be put right, so I won’t ask Admiral to do anymore on this point.

Admiral has acknowledged it dealt with the cancellation of the policy in a sub-standard way. It should've communicated better, so it has paid £300 to compensate Miss H for any trouble or upset.

I appreciate Miss H may feel her compensation should be higher. However, I don't agree. I think the £300 paid is fair and reasonable and adequately compensated Miss H for any distress or inconvenience she may have suffered in the circumstances. As nothing did go wrong, I don't think there has been a significant level of distress caused. The claim was resolved promptly in less than a month, so I can't see that Miss H would've had much inconvenience.

### **My final decision**

My final decision is that I don't uphold this complaint. I don't require Admiral Insurance (Gibraltar) Limited to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 10 September 2024.

Pete Averill  
**Ombudsman**