

The complaint

Miss C complained that she didn't receive a refund from Admiral Insurance (Gibraltar) Limited ('Admiral') when she cancelled her home insurance policy.

What happened

Miss C cancelled her insurance with Admiral because she no longer needed the policy. Admiral agreed to cancel the policy and provide a refund. A couple of months later Miss C followed up with Admiral because she hadn't received the refund. Admiral said it had refunded the money to the card Miss C had used to pay for the policy. Miss C told Admiral she no longer had that card, as it had expired, and hadn't received the money. Admiral said it had followed its normal procedure and that the money might be in the card issuer's holding account. It said it would only provide a cheque for the money once the payment had come back as a rejected refund.

Miss C contacted both her bank that issued the card and the payment network. Both confirmed to Miss C that they didn't have the funds. Admiral continued to say it wouldn't refund the money.

When Miss C complained to this service, our investigator upheld the complaint. She said Miss C had provided evidence that she hadn't received the payment and Admiral hadn't provided evidence the payment had been made. She said Admiral should refund the money to Miss C by cheque.

As Admiral didn't agree, the complaint was referred to me.

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 uphold this complaint. I will explain why.

Admiral agreed to refund Miss C's premium. It refunded the money to a card that had expired. Admiral has provided its payment screens for the refund and also another screenshot that it says shows the refund was not rejected. It told Miss C to contact the payment network as the refund would be in a holding account.

Miss C has shown that the money didn't reach her bank account. She has also contacted her bank, who issued the card, and the payment network. They confirmed that they don't have the money and aren't holding the funds.

Admiral hasn't shown that the money reached a holding account. Miss C has also got confirmation that the money isn't in a holding account. In the circumstances, in my view, it's fair and reasonable that Admiral refund the money to Miss C by cheque. Admiral must also pay interest on the refund as Miss C lost use of the money.

Putting things right

Admiral should refund £63.16 to Miss C by cheque and pay interest on that amount.

My final decision

For the reasons I have given, it is my final decision that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to:

- refund Miss C £63.16 by cheque
- pay 8% simple interest on that amount from 25 November 2022 to the date on which it makes the payment by cheque.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 20 September 2023.

Louise O'Sullivan
Ombudsman