

The complaint

Mr H complains about Admiral Insurance (Gibraltar) Limited's ("Admiral") delay in issuing a refund of his premium after he cancelled his car insurance policy.

What happened

Mr H says he cancelled his policy over the phone and was informed he would receive a refund within seven days. Having not received the refund within this timeframe, Mr H chased and was informed it would be issued after the cancellation date. Mr H complained and said this isn't what the call handler informed him when he originally phoned to cancel his policy. Admiral responded and explained their call handler quoted a cancellation refund amount of £1,228.94 and explained the refund would be processed upon the policy cancellation date of 26 August. They said, during the call, the call handler explained the refund will take 10 days to show in Mr H's bank statement. They said, based on this they're unable to uphold this complaint. Admiral did uphold Mr H's complaint about the service received during a webchat and sent a cheque for £50.

Our investigator looked into things for Mr H. She thought the £50 paid for the customer service issue was fair and didn't uphold the complaint about the refund. Mr H disagreed so the matter has come to me for a 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.

Having done so, I've decided not to uphold the complaint. I understand Mr H will be disappointed by this but I'll explain why I have made this decision.

My role requires me to say how a complaint should be settled quickly and with minimal formality and so I'll focus on what I consider to be the crux of the complaint and the main areas of dispute. There doesn't appear to be any dispute about the £50 compensation paid for the service received during the webchat. I think the £50 is fair and reasonable in the circumstances and reflects the impact of the service to Mr H.

I've listened to a recording of Mr H's call with Admiral to cancel his policy on 7 August 2023. The call handler says "...*within ten working days of cancelling this policy down, ok, say you're cancelling it down now, you'd get a pro-rata refund of...*" The call handler then starts taking steps to cancel the policy and Mr H asks for the policy cancellation date to be effective from 26 August.

The call handler then explains the cancellation has been entered into their system and says, "*So what will happen now, the refund, ok, from 26th, if I have a look on here, ten working days it will be back into your bank account*". Mr H then says he assumes this will be refunded after the cancellation date and the call handler says, "*It should be refunded with me cancelling and accepting this through...within ten days, working days, of me accepting this through, it should get refunded to you*".

So, taking this into account, I think there was conflicting information given to Mr H during the call. During one part of the call, the call handler does explain the refund will be issued within 10 working days of the policy cancellation date. But when Mr H clarifies this later in the call, the call handler then explains the refund will be issued within 10 working days of them putting through the cancellation. So, I understand why Mr H was of the understanding the refund would be issued before the policy cancellation date. It's clear there has been an error here but, in considering whether I think Admiral should take any further steps, I've thought about the impact on Mr H.

Taking the call handler's explanation later in the call that the refund would be issued within 10 working days of them putting the cancellation through, this would mean the latest date Mr H would've expected to receive a refund would be 21 August. But Mr H then contacts Admiral by webchat on 15 August to query why he hadn't received his refund. The transcript of the webchat shows Mr H explains he cancelled his policy over a week ago, but he hasn't received a refund. The agent explains they can see from their system the policy will be cancelled on 26 August and the refund will be processed after this date. Mr H explains he was informed over the phone that the refund would be issued on giving notice of the cancellation. The agent apologises for any misunderstanding and again confirms the refund will be processed after the cancellation date. Mr H asks for the refund to be issued now and the agent explains the cancellation hasn't yet taken effect so they can't issue a refund. The agent explains the refund will show on Mr H's bank statement within 10 days.

So the position was corrected during the webchat – and this was eight days after the phone call, and six days before the last date Mr H would've expected the refund. So while I accept there was initially conflicting information given, I think this was corrected within a reasonable time but it was also before the last date Mr H would've been expecting the payment.

I've also thought about whether, had the call handler been clear about the refund being issued after the effective date of cancellation, things would've been any different. In this case, I can't say anything would've changed. I acknowledge the frustration to Mr H, but I haven't seen any information which persuades me, had Mr H been given the correct information about the refund timeframe, he would've changed the effective date of cancellation.

I say this because, during the webchat, the agent does ask Mr H if he wishes to change the cancellation date to 15 August and Mr H declines and explains the cancellation should still be effective from 26 August. So, given that I believe there wouldn't have been any change in the cancellation circumstances here, coupled with Admiral correcting the position within a reasonable timeframe, I won't be asking Admiral to take any further steps to put things right.

I understand Mr H says the call handler lied to him, but having listened to the call, I don't believe this was deliberate on their part. It's clear the correct information was given, but conflicting information was then given after Mr H sought clarity on the position. There has been an error here, but I don't believe the call handler's actions were deliberate or intentional here.

Taking this all into account, I don't think it was unreasonable for Admiral to issue the refund after the effective date of cancellation. It's not unusual or uncommon for a business to do this particularly as there are events which, while the policy is still active, could arise and which might then lead to a business retaining the full premium. I acknowledge no such event occurred here, but I hope this helps explain why Admiral couldn't issue a refund sooner than 26 August.

I acknowledge there was some frustration to Mr H here, but I can't say the impact justifies an award of compensation. I can see the webchat agent apologised to Mr H, and I think that's reasonable in the circumstances. Sometimes mistakes will happen, and I think it's fair to say using financial services won't always be completely hassle free. So, when things do go wrong, we would expect a business to put things right. But for compensation to be awarded, the impact would need to go beyond the usual and normal impacts of everyday life. In this case, and for the reasons I've mentioned, I don't think it's fair and reasonable in the circumstances to ask Admiral to take any further steps to put things right.

I understand Mr H will be disappointed, but I hope he feels reassured I've carefully considered the information here. I do accept there was some frustration to Mr H, but I hope my decision provides Mr H with a clear explanation for why I don't think Admiral need to take any further steps. I wish to reassure Mr H I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 2 January 2024.

Paviter Dhaddy
Ombudsman