

## **The complaint**

Mrs D complains that Admiral Insurance (Gibraltar) Limited mishandled her claim on a motor insurance policy.

## **What happened**

The subject matter of the claim and the complaint is a car, made by a premium brand car-maker with a powerful engine and first registered in 2018.

Mrs D had a motor policy with Admiral for the year from mid-January 2022.

In June 2022, the car passed an MOT test with a recorded mileage of about 14,000.

In June 2022, Mrs D acquired the car on a finance agreement. That required her to pay about £750.00 per month for about four years, followed by an optional final payment of about £18,000.00.

Mrs D added the car to the policy. She was the policyholder. The policy also covered her husband to drive the car as a named driver.

On 23 December 2022, Mrs D reported that someone had stolen the car.

Admiral investigated the claim. That included asking Mrs D for the two keys for the car and getting a forensic locksmith to report on the two keys she provided. The locksmith said that one of those keys was for a different and older vehicle. Admiral instructed an independent firm of investigators.

By a letter dated 9 June 2023, Admiral “repudiated” (declined) Mrs D’s claim. Admiral also said that from 17 June 2023, it would “cancel or void” the policy along with any other policies she may hold with it or its group companies. Admiral said that it wouldn’t refund any of Mrs D’s policy premiums.

Mrs D complained to Admiral about delay and about its decision not to meet her claim.

By a final response dated late June 2023, Admiral turned down the complaint.

Mrs D brought her complaint to us in late August 2023.

Our investigator recommended that the complaint should be upheld in part. He didn’t think Admiral did anything wrong in declining Mrs D’s claim.

However the investigator thought that there were avoidable delays in its processing of the claim. He also thought that the claim repudiation letter was unclear and confusing in part. The investigator recommended that Admiral should:

1. pay Mrs D £100.00 in compensation for the service failings noted in his view; and

2. provide a further letter setting out the outcome of the claim, including Admiral's fraud prevention and detection notice and clarifying whether a fraud marker has been applied against Mrs D's name.

Mrs D disagreed with the investigator's opinion. She asked for an ombudsman to review the complaint. She says, in summary, that:

- Admiral have been difficult throughout this process (both internal and ombudsman investigation) and they took a long time to provide information. The information that they did provide was not complete. They purposefully left out the repudiation letter, that contained numerous errors. These errors caused extreme stress and financial hardship. She was told that the car had been recovered and was written off. When she spoke to Admiral about this on the phone, it was very difficult to even get someone to talk to her. This error has caused her a great deal of stress. The errors in the letter regarding the date they cancelled a linked policy also caused her stress and financial hardship. She needed to find a new insurance policy within hours thus was more expensive, as the date given in the letter was incorrect. They left her with hours to find a new insurance policy which is inexcusable.
- Admiral also demanded that she paid a cancellation fee, despite that they cancelled her policy.
- When she first tried to contact them about this, they refused to help and sent debt collectors to contact her.
- After finally reaching someone at Admiral that would actually help, they realised that this was again another error on their end. During an already enormously stressful ordeal, to have Admiral send debt collectors to contact her for again another error on their end is ridiculous. This again caused her unnecessary stress.
- The key evidence was received by Admiral on 17 January 2023. There were months of no communication by Admiral and she only got information when she chased them. She called them and threatened to go to the ombudsman as she was not getting a response on the claim. Three days later, they sent the letter that was littered with serious errors. Their judgement was therefore rushed and was not considered properly.
- Admiral's rejection is wholly based upon the key report. The first investigation concluded on 10 February 2022 and the review on 22 March. A second investigation report was made on 2 May 2022. These investigations contradict Admiral's judgement. If the report which was given to them in January was substantial enough to reject the claim completely, they should've rejected it earlier. The further investigations did not bring any more information (as per their letters) that led them to reject the claim.
- She spent hours on hold and was hung up on by an agent. It was clear from their judgement letter they had misunderstood what she said. When she tried to ring up and clarify regarding the keys, they were not interested in this. They did not take the further information provided seriously in their judgement of her case.
- She would like Admiral to review her case as she doesn't believe they spent adequate time in reviewing her evidence and they rushed a decision.
- £100.00 isn't an adequate reflection on both the financial hardship of the insurance cancellation issue and the stress caused.
- She does agree that she wishes to know if Admiral have placed her on any register.

Admiral disagreed with the investigator's opinion in part. It says, in summary, that:

- It agrees with the £100.00 compensation.
- The customer has already been provided with the fraud prevention notice as it is in the policy booklet.
- The repudiation letter also confirmed the outcome of the claim. It can send this again to include information about a fraud marker if needed.

### **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.

#### Scope of this decision

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules.

One of those rules is that, before we can investigate a complaint, the consumer must first have made that complaint to the insurer and waited for up to eight weeks for a final response. It follows that we can't investigate a complaint which was first made after the final response.

Also, the rules set out a two-stage process by which our investigator gives an opinion, and our ombudsman gives a decision.

In Mrs D's case, I haven't seen enough evidence that she complained to Admiral about a cancellation fee or about debt collection before Admiral wrote its final response. Our investigator didn't give an opinion about any such complaint.

So Mrs D must make that complaint to Admiral before we can investigate it.

#### Findings

Admiral's policy included the following:

*"Our cancellation rights  
We can cancel your policy at any time by sending seven days' notice in writing to your last known address if:  
you break any of the following General conditions: 2, 3, 5, 9, 11, 14, 15, 17 or 18  
...  
Outstanding premium and charges following cancellation  
If a claim has been made during the period of insurance, you must pay the full premium and no refund will be given."*

General condition 9 was as follows:

*"9. Fraud and misrepresentation  
You must always answer our questions honestly and provide true and accurate information. If you, any other insured person or anyone acting on your behalf:*

- provides us with false, exaggerated or misrepresented information*
- submits false, altered, forged or stolen documents.*

*We will take one or more of the following actions:*

- ...*

- *cancel your policy, under certain circumstances this may be with immediate effect*
- *declare your policy void*
- *refuse to pay your claim or only pay part of your claim*
- *only pay a proportion of your claim*
- *keep the premium you have paid*
- *recover any costs incurred from you or any other insured person.*

*If we identify any fraud or misrepresentation, we will cancel or void any other [group company] policies you are connected with."*

So the policy said that if Mrs D provided false information, Admiral wouldn't meet her claim and would cancel her policy or treat it as void.

Separately, Admiral's policy excluded any claim for theft while a key was in or on the car.

For both of those reasons, Admiral asked Mrs D about the keys to the car.

I'm satisfied that Admiral did a reasonable and proportionate investigation. That was bound to take some time.

Mrs D only provided one of the correct keys for the car. She couldn't explain where the key for the older vehicle had come from. So Admiral considered that she had tried to mislead it about the loss of the car.

The investigator completed a report on 10 February 2023. A review of this was completed around 22 March 2023. Further investigations led to a further report on 2 May 2023.

I don't accept Mrs D's view that the reports contradict Admiral's view. Nor do I accept Mrs D's view that Admiral rushed its decision.

The repudiation letter was sent to Mrs D on 9 June 2023.

Mrs D sent us the repudiation letter. I don't draw any inference from the fact that Admiral didn't send it to us.

The letter said that it drew Mrs D's attention to its "*fraud prevention and detection notice at the bottom of the page*". But I haven't seen that the letter included any such notice.

The letter included some incomplete wording as follows:

*"Your vehicle is currently being stored at. Due to the damage sustained it has been recorded as a category write off. If you wish to retain the salvage..."*

That wording appears to be standard wording that was inappropriate in Mrs D's case as the car hadn't been recovered.

Also, the letter finished with some repeated wording.

I accept that the errors in the letter caused Mrs D some upset and put her to the inconvenience of trying to contact Admiral again. However, I don't accept that the errors caused her any financial loss or financial hardship.

I consider that – based mainly on the evidence relation to the keys - Admiral made a reasonable decision to decline the claim and to give notice to cancel cover from 17 June 2023. I consider that this was in line with policy terms.

From what Mrs D has said, she had another car insured on the same or a linked policy, so she had to get it insured elsewhere at short notice. However, I'm not persuaded that the letter contained any mistake about the cancelation or the date from which it took effect.

Overall, I agree that Admiral could've reached its decision sooner. However, I don't see that Mrs D would've been in any better position.

I accept that Admiral should've communicated with Mrs D better than it did. The impact of that on Mrs D included that she had to make more contact with Admiral than should've been necessary. She often found it difficult to contact Admiral by telephone and she found that frustrating.

### **Putting things right**

I take the view that, by providing an incorrect key and not providing a good explanation, Mrs D had brought trouble on herself. So I wouldn't have awarded any more than £100.00 for the distress and inconvenience caused by shortcomings in Admiral's communication.

Nevertheless the investigator recommended compensation of £100.00 for distress and inconvenience and Admiral agreed. So I find it fair and reasonable to direct Admiral to pay Mrs D £100.00 for distress and inconvenience.

I don't find it appropriate to direct Admiral to provide a further letter setting out the outcome of the claim.

Admiral's policy terms contain a "Privacy and Security Statement" which includes the following:

*"Fraud prevention and detection*

*In order to prevent and detect fraud insurers may, at any time share information about you with our other group companies.*

*If false or inaccurate information is provided and fraud is identified details will be passed to fraud prevention agencies. Law enforcement agencies may access and use this information.*

*We and other organisations may also access and use this information to prevent fraud and money laundering, for example, when:*

- *checking details on applications for credit and credit related or other facilities*
- *managing credit and credit related accounts or facilities*
- *recovering debt*
- *checking details on proposals and claims for all types of Insurance*
- *checking details of job applicants and employees."*

So I don't consider it appropriate to direct Admiral to send that fraud prevention and detection statement to Mrs D.

However, Admiral hasn't yet clarified whether it applied any fraud marker, although it has recently said that it will give such clarification. So I find it fair and reasonable to direct Admiral to do so.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Admiral Insurance (Gibraltar) Limited to:

1. pay Mrs D £100.00 for distress and inconvenience; and
2. write to Mrs D clarifying what if any record it has submitted to any external anti-fraud agency or database.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 29 March 2024.

Christopher Gilbert

**Ombudsman**