

The complaint

Mr D complains that Admiral Insurance (Gibraltar) Limited (Admiral) refused to accept payment for his car insurance policy on a monthly basis, increased his renewal premium and provided poor service.

What happened

Mr D entered a fixed sum loan agreement with Admiral in March 2021 which gave him the facility to pay for his car insurance premium in 12 monthly payments.

Mr D missed a number of payments during 2021. He said that in both 2020 and 2021 he told Admiral that his income had been affected by the Covid-19 pandemic (Covid-19), and he'd asked if he could pay two payments in one month on a number of occasions. Mr D said Admiral told him he could do this by ensuring there was no money in his account when his payment was due, and then making an increased payment the next month.

Admiral said Mr D contacted them in May 2021 to pay a missed payment, but they told him they'd already put through a second request for the payment, and so they couldn't take a manual one at that time. They said they told Mr D to wait for the second request to be rejected, and then he'd be able to make a manual payment. A manual payment was made later the same month.

Admiral said Mr D contacted them in October 2021 to ask for a payment to be delayed. They said they told him they couldn't delay the payment as the system had already tried to collect it, but they could put a hold on the payment once it had been rejected to allow Mr D time to make the payment.

In November 2021 Admiral put a temporary suspension on Mr D's account to allow him to pay October and November 2021's payments in one payment, and they removed the late payment fee from Mr D's account.

In early 2022 Admiral sent Mr D a quote to renew his policy, and Mr D complained to Admiral in March 2022 when they said he'd need to pay his premium in one payment, and they couldn't offer him the option to pay monthly.

Mr D also complained that Admiral tried to take the full payment whilst they were investigating his complaint, and he didn't receive a call when one had been promised.

Admiral sent Mr D their final response to his complaint in April 2022. They apologised for attempting to take a payment whilst they were investigating and not calling Mr D when they said they would. They paid Mr D £50 compensation for the distress and inconvenience caused. They said they couldn't provide specific reasons for not offering direct debit payments to Mr D, but it was due to information gathered from internal and external sources.

Admiral said there was no evidence they'd told Mr D to miss payments, but he'd asked for a delay to payments that hadn't been possible a number of times.

Mr D's policy was cancelled in May 2022 when no payment was received following renewal of the policy. Admiral then provided a quote for a new policy, but the price for this was higher. Mr D complained to Admiral that he'd been offered a lower premium price that should be honoured. Admiral responded to Mr D to say they had no record of the lower premium price, and Mr D was under no obligation to accept the quote that had been offered.

Unhappy with this, Mr D brought his complaint to this service for investigation. He said Admiral had offered him a policy at around £570 but were now asking him to pay nearly £800. He wanted the original quote to be reinstated, and to be able to pay his premium in instalments.

Our investigator gave his view that it was reasonable for Admiral to refuse a monthly payment option, that Mr D had been treated fairly, there was no evidence of the £570 quote Mr D said he'd received, and Admiral had fairly compensated Mr D for the service he'd received.

Mr D didn't agree. He said he'd been refused monthly payments because of payment arrangements that he'd made in 2020 and 2021, so they shouldn't have a bearing on future policy decisions. Mr D maintained that he was given a lower quote over the phone.

As an agreement can't be reached the case has been passed 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.

Mr D was supplied with a fixed sum loan agreement. This is a regulated consumer credit agreement, which means we're able to look into complaints about it.

Mr D would like Admiral to allow him to pay his car insurance premium on a monthly basis. This would mean extending a new fixed sum loan agreement to him. It's not my role to tell Admiral or any credit provider whom they must conduct business with, and if they must continue to provide loan facilities. This is a commercial decision for Admiral to make. What I have considered is whether Admiral have treated Mr D fairly.

Admiral have said they don't need to provide a reason for refusing to finance Mr D's insurance premium, but they have said their decision was a result of information gathered from internal and external sources.

Mr D said he was told by Admiral to miss some of his payments, he wasn't told this might affect his renewal. He believes this is now being held against him as Admiral aren't allowing him to pay monthly because of his payment history.

I've seen evidence from Mr D that he made increased payments on some months in 2020, but I haven't seen any evidence of a payment agreement entered to allow him to do this. I note that Admiral accepted Mr D's renewal and payment by monthly instalments in 2021, so I'm satisfied that any arrangement he made with Admiral in 2020 didn't affect his renewal or his payment options in March 2021.

I can see that Mr D missed a number of payments during 2021, and Admiral sent him a number of default notices. These notices gave Mr D information about missed payments, how and when he needed to make them, what might happen if he didn't, and provided information about what to do if he was affected by Covid-19. I haven't seen any evidence of

a payment arrangement entered by Mr D and Admiral in 2021, or that he asked for any of the available options under the Covid-19 guidance.

So, I'm satisfied that it was reasonable for Admiral to consider Mr D's payment history in the last 12 months when deciding if they would offer him another fixed sum loan agreement in March 2022.

Admiral suspended the payments on Mr D's account whilst he discussed his renewal premium, and I'm satisfied that Mr D had the opportunity to discuss his circumstances and come to an agreement with Admiral prior to the cancellation of his policy in May 2022. So, I'm satisfied that Admiral treated him fairly, and I'm not asking them to reinstate the option for Mr D to pay his premiums monthly.

Mr D has asked Admiral to honour a renewal premium he said he was quoted on the phone of around £570. Admiral said they had no record of this quotation.

I haven't seen any evidence that Admiral changed Mr D's renewal premium between the quotation they sent him in early 2022, and the amount they were asking him to pay for the policy in discussions between March and May 2022. So, I'm satisfied that the premium given to Mr D of £628.92 was consistent, and Mr D wasn't treated unfairly by Admiral.

Mr D has complained about the service he received from Admiral. Admiral have apologised for trying to collect payments whilst they investigated his complaint, and for a call that Mr D didn't receive. They have paid him £50 compensation.

Mr D experienced confusion and inconvenience when a payment that he didn't expect was requested, and inconvenience when he didn't receive a call he was promised. Overall, I'm satisfied that £50 fairly compensates Mr D for the distress and inconvenience caused, so I'm not asking Admiral to do anything more.

My final decision

For the reasons set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 11 August 2023.

Zoe Merriman
Ombudsman