

## **The complaint**

Mr P complains that Admiral Insurance (Gibraltar) Limited (“Admiral”) unfairly placed a marker on his credit file after he missed a monthly instalment towards his car insurance premium.

## **What happened**

Mr P says, on 1 April 2023, a direct debit payment of £45.72 didn’t go through as a monthly instalment towards his premium. Admiral then wrote to Mr P on 5 April and said they would reapply for this payment in 10 days and asked Mr P to ensure funds are available for this to be paid. Admiral explained any late or missed payments are a breach of the credit agreement and a formal Default Notice would be issued. Mr P says he was on holiday when the payment was originally due but then paid this amount as soon as he became aware on 5 April. Mr P complained and said it’s unfair Admiral will be placing a Default Notice on his credit file.

Admiral responded and explained they have an agreement with a credit reference agency (“CRA”) to provide information, which includes if a customer has missed a payment. Admiral explained they hadn’t made any errors and won’t be removing the marker from Mr P’s credit file.

Our investigator looked into things for Mr P. She thought Admiral hadn’t acted unfairly in making a report to the CRA. Mr P 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 P 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. Mr P says it’s unfair Admiral will be placing a Default Notice on his credit file given that he made the payment four days after it was due. He also says it’s unfair because the wording in his credit agreement says Admiral ‘may’ report defaults, not that they always ‘will’.

I acknowledge Mr P’s concern about the Default Notice, but I haven’t seen any evidence this has been recorded against his credit file. The letter sent on 5 April says, “*Any late or missed payment is a breach of your credit agreement and a formal Default notice will be issued on 08/04/2023...*” There’s no dispute Mr P made payment on 5 April – which is before the date Admiral say they will be issuing a Default Notice. I can see our investigator has asked Mr P to provide evidence of his credit file to demonstrate whether this has been recorded on there. But Mr P hasn’t provided evidence of this. Any Default Notice would also have been issued to Mr P. So, given that I’ve seen no evidence he has received this, together with the

fact payment was made before the date Admiral say this will be issued, I'm not persuaded a Default Notice has been recorded against Mr P's credit file.

Mr P says the letter he received dated 5 April says the issuing of a Default Notice doesn't affect Admiral from reapplying for payment, so this will be issued on 8 April. I acknowledge the letter says, "*Please note issuing of a default notice does not affect us reapplying for your missed payment.*" But I don't believe this proves Admiral have recorded this against Mr P's credit file. In the letter, Admiral say they will reapply for the missed payment in 10 days. As this date falls after the date they intend to issue the Default Notice, I think what Admiral are suggesting here is that, if payment isn't made by 8 April – and Admiral then issue a Default Notice – then they'll still reapply for the missed payment on 15 April. A Default Notice is notification from a lender to their customer when they're in arrears and sets out steps a lender may take if payments aren't brought up to date. In this case, I see no reason why Admiral would send this on 8 April when, by that point, Mr P's account was brought up to date.

Admiral do refer to a marker being placed on Mr P's credit file, but this appears to relate to the missed payment. I understand Mr P is concerned he made the payment only four days after it became due, so I've thought about whether it's fair for Admiral to have reported this. My starting point is Mr P's car insurance policy booklet. This sets out the terms and conditions and says, "*When you borrow from us, we will give details of your account(s) and how you manage it/them to CRAs. If you borrow and do not repay in full and on time, CRAs will record the outstanding debt.*" There's no dispute about the payment being missed. So, given that the terms and conditions allow Admiral to report this to the CRAs, I don't think they've acted unreasonably. I think it's also important to add, under guidance issued by the Information Commissioner's Office, lenders need to ensure any information they report on a credit file is accurate. In this case, as there was a missed payment, I can't say Admiral's report was inaccurate or unfair.

I understand Mr P feels the information about when Admiral will apply a default is ambiguous. He says the information he received from Admiral says they 'may' report defaults with CRAs, but he says this is inconsistent with the approach taken by Admiral here when they say they 'will' apply a default. As mentioned above, I haven't seen any evidence Admiral did issue a Default Notice and of this being recorded on Mr P's credit file. I've seen the credit agreement, and this says, "*Missing payment could have severe consequences such as...We may report your defaults with [CRAs]...*" I note Mr P says the use of the term 'may' isn't definitive and is inaccurate and misleading because, in their correspondence with him, Admiral say they will report defaults.

I acknowledge Mr P's concern, but I don't agree the wording is ambiguous. Use of the term 'may' isn't unusual or uncommon in terms and conditions. The wording suggests this is an option available to Admiral. There might well be circumstances where, following a missed payment, Admiral may not report a default to the CRAs. What we would expect though is for a business to make it clear in direct communication with a customer, whether that specific term will apply to them. And in this case, Admiral have made it clear what would happen on 8 April. So, I can't say Admiral have acted unfairly here.

I understand why Mr P has complained, but I'm not persuaded a Default Notice has been issued here or recorded on his credit file. I think a missed payment marker has likely been recorded, which I don't think is unfair in the circumstances. I wish to reassure Mr P 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 P to accept or reject my decision before 6 October 2023.

Paviter Dhaddy  
**Ombudsman**