

The complaint

Mr L complains that Admiral Insurance (Gibraltar) Limited (Admiral) sold him a policy that didn't meet his needs.

What happened

Mr L bought a home insurance policy online that provided some cover for items stolen from a vehicle. Before he bought it, he contacted Admiral to clarify some of the cover. In an online chat, he explained he had two e-bikes and that they were stored inside a van. The bikes were chained to the van, and the van was kept either outside his home or occasionally away when he was on visits elsewhere in the UK.

Mr L was assured his bikes would be covered under these circumstances if he chose "cover away from home" and he did that.

Some while later the bikes were stolen, but when Mr L claimed for them he was told the maximum payable for a theft from a vehicle was £1,000 – regardless of the actual value of the stolen items. Mr L says that's unfair as he wasn't told this during his webchat.

Mr L complained, and Admiral said it had made a mistake during the sale – it said its agent should have referred Mr L to the terms and conditions of the policy at this point. As it didn't do this, it said it would pay Mr L £30 compensation.

Mr L says this isn't fair as he's lost thousands of pounds, and he asked us to review the complaint. Our investigator agreed that Admiral should have done more, but noted also that Admiral said the online purchase process required Mr L to check a box to say he agreed with the terms and conditions governing the policy, and that he'd been given access to these.

He went on to say that this service has to consider what Mr L might have done differently if he'd been specifically referred to the terms and conditions. So he asked Mr L to provide some evidence that he would have been able to buy better cover elsewhere (that is with a higher limit for items away from home). If he did that, our investigator said he'd look at the complaint again.

Mr L was initially reluctant to do this, but did say he'd been told verbally that such cover was available for a slightly higher premium – and he'd have bought that cover if he'd known Admiral's £1,000 limit.

I've been asked to decide this complaint.

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.

For clarity, this complaint is about the quality and completeness of the information Admiral provided when Mr L contacted it before deciding to buy his policy. I understand the actual sale was through a third party online intermediary.

Admiral has already acknowledged that there were shortcomings in the way it provided information about this policy, as its agent should have told Mr L to check the terms and conditions before buying the policy.

I don't think there's much point on me commenting further on this, so instead I'll concentrate on whether the redress Admiral offered (£30) was appropriate.

At the time of writing I think it is. As our investigator has explained, this service initially looks to see if there were shortcomings in the way a business acted – and here that's already been acknowledged. We then go on to look at what Mr L might have done if the business hadn't made any mistakes. In that case Mr L would have been reminded to check the full terms and conditions before buying the policy. If he'd done that, he'd have realised that there was a maximum amount payable for theft from a vehicle and furthermore that this was much lower than the value of his belongings.

I do think it's reasonable to say that Mr L might have shopped around to see if there was better cover available, and we asked Mr L to send us some evidence that if he'd done that he would have found something more suitable. Mr L was initially reluctant to do this given Admiral had already accepted it had done something wrong. He later said he'd been told he could have bought cover elsewhere for a slightly higher cost and would have done that. However, he hasn't provided anything in writing – for example a copy of a quote – that supports this. Without such evidence I can't say if it's likely he could have bought better cover elsewhere. That means I can't ask Admiral to increase the compensation it offered.

If Mr L obtains this evidence he could ask Admiral to re-consider the amount of compensation, and I'd expect Admiral to do that if he provides the evidence within a reasonable timeframe – say within 8 weeks of the date of this decision.

My final decision

My decision is that I do not uphold this complaint as Admiral Insurance (Gibraltar) Limited's offer of compensation was adequate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 20 December 2023.

Susan Peters
Ombudsman