

The complaint

Mr G's car was stolen, and he claimed on his motor insurance policy with Admiral Insurance Company Limited. He's unhappy with the amount Admiral paid him for the value of his car.

What happened

Mr G's car was stolen in January 2020 and never recovered. He claimed against his motor insurance policy and Admiral paid him £5,170, based on three of the trade guides usually used for valuing vehicles.

Mr G was unhappy with the amount he received, because he couldn't buy a like-for-like replacement car with the money. He complained to Admiral, who thought the amount they paid him was fair. They didn't increase the payment, so Mr G brought his complaint to the Financial Ombudsman Service.

Our investigator explained we don't tell businesses how to value cars, but we'd expect them to do this fairly. And we can carry out our own valuations to see if the valuation the business used was fair and reasonable.

The investigator obtained valuations from four trade guides. And based on the age, mileage and condition of Mr G's car when it was stolen, he said the average value of these guides was £5,350.25. So he said Admiral should pay Mr G an additional £180.25 plus interest.

Admiral agreed with the investigator, but Mr G didn't. He said he paid a large amount of money each year to insure his car, and he expects to be paid out now his car's been stolen. But the amount Admiral have paid, and the increase the investigator has recommended, means he *"can not buy any vehicle similar or near similar to my stolen car."* So he's asked for an ombudsman to make a final 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 have reached the same overall conclusions as the investigator, and for broadly the same reasons.

Mr G has said he can't buy a like-for-like car for the money he's been offered. But, when looking to buy a car, Mr G will see only the advertised selling prices. And this isn't necessarily what the car will be sold for. But the trade guides are based on actual achieved sale prices, not on advertised selling prices. And they take into consideration factors such as age, mileage and condition. So when considering this complaint, I think it's reasonable that trade guides are used to give a fair reflection of the value of a vehicle, not selling prices.

And Mr G was insured for the Market Value of his car, which Admiral defined in Mr G's policy terms as being *"the cost of replacing your car with one of a similar make, model, year, mileage and condition based on market prices at the time of the loss."* So I don't think Admiral did anything wrong by using the trade guides to get the market value of Mr G's car.

At the time it was stolen, Mr G's car was around 9 years old, and had done around 130,000 miles. Admiral said they used three trade guides, which gave them the following values for Mr G's car:

- Glass's Guide - £5,170
- CAP - £5,020
- Parkers - £4,125

Based on these valuations, Admiral paid Mr G £5,170.

I haven't seen the actual valuations Admiral used, but I have seen the ones the investigator used when reaching his view. These were all based on Mr G's actual car (the registration number was used), and they were as follows:

- Glass's Guide - £5,350
- CAP - £5,150
- Parkers - £5,350
- Carzana - £5,431

Because no trade guide is any 'better' than any of the others, I think it's fair to value Mr G's car on an average of these values, and not by choosing any one value in particular. The average of the four values is £5,320.25 - £150.25 more than Admiral paid Mr G.

Putting things right

The investigator recommended that Admiral pay Mr G the difference between the two valuations. But he'd miscalculated the average of the valuations as £5,350.25. Which meant he asked Admiral to pay Mr G £180.25 plus interest, instead of £150.25 plus interest.

I agree that Admiral should pay the difference to Mr G. And I've noted they've already paid him £182.91. In my decision I can tell Admiral to do something, but I can't make Mr G do anything. So I can't tell him to refund Admiral the £30 plus interest he was overpaid because of the miscalculation.

And the investigators view clearly detailed the valuation figures used. So Admiral had the opportunity to query the calculation of the average values the investigator used when they provided their comments. But they didn't do so. Because of this, I won't be asking Admiral to do anything more in resolution of Mr G's complaint.

My final decision

For the reasons explained above I uphold Mr G's complaint about Admiral Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 9 July 2020.

Andrew Burford
Ombudsman