

The complaint

Mrs P complains about the valuation Admiral Insurance Company Limited placed on her car after a claim made on her motor insurance policy.

What happened

Mrs P's car was damaged in an accident and Admiral said it was beyond economical repair. Admiral said it offered Mrs P the highest valuation provided for her car by the motor trade guides we use. This was £7,350 less the policy excess. But Mrs P said this didn't take into account that her car was a limited edition model. She thought it was worth about £5,000 more.

Our investigator recommended that the complaint should be upheld. She asked Admiral to explain where it had taken into account the car's limited edition status in its valuation, but it didn't explain this. So the investigator did her own research and found limited edition models of Mrs P's car for sale at higher prices than Admiral's offer. She thought Admiral should offer Mrs P an average of these, £8,370.

Mrs P agreed. But Admiral said it had offered Mrs P the highest valuation provided by the trade guides and it had found this valuation using our approach.

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.

The investigator has explained this service's approach to car valuations. We don't provide valuations for cars but look to whether the insurer's offer is reasonable.

In assessing whether a reasonable offer has been made, we obtain valuations from motor-trade guides. These are used for valuing second hand vehicles. We find these guides to be particularly persuasive, largely because their valuations are based on nationwide research and likely sales figures. The guides also take into account regional variations. We also take all other available evidence into account, for example, engineer's reports.

I can see Admiral used the motor trade guides to assess the pre-accident value of Mrs P's car. Mrs P complained that this didn't take into account the car being a limited edition model. She said there were only 450 made and they were more desirable. But Admiral said that it had checked the guides using the car's registration number and its optional extras didn't add any value.

I think this is in keeping with our usual approach to car valuations. And we usually find that the value of optional extras depreciates over time and often they won't add any value at all.

But I would still expect Admiral to have considered if there was any increase in value due to the car being a limited edition model. It could, for example, have obtained an engineer's or expert's views or it could have researched similar cars for sale. I can't see that it did this. So

I can't see that Admiral took into account the car being a limited edition and so made a reasonable valuation of Mrs P's car.

Our investigator did her own research and found two cars, also limited editions, for sale. One had a higher mileage and one a lower mileage than Mrs P's car. So she thought an average of the two prices would be a fair valuation for Mrs P's car.

In the absence of other evidence, I think this is a fair and reasonable way to take into account the car being a limited edition model.

Putting things right

And so I think Admiral hasn't valued Mrs P's car fairly and I think it should increase this to £8,370, less the policy excess.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require Admiral Insurance Company Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 16 February 2021.

Phillip Berechree
Ombudsman