

The complaint

Mr W complains about Admiral Insurance (Gibraltar) Limited's (Admiral) handling of his claim and valuation of his car following a collision, under his motor insurance policy.

What happened

Mr W was involved in a collision when driving his car. Admiral accepted his claim and considered his car to be a total loss. Mr W says there were delays from the beginning in the handling of his claim. He was told his belongings would be returned and they weren't until he raised concerns. Mr W also says a spare wheel was an optional extra with his car and this wasn't returned to him.

When corresponding with Admiral and its repairer Mr W says it failed to recognise that he has a visual processing disorder.

Admiral agreed with the concerns raised by Mr W and offered £120 compensation for the trouble and upset it caused.

Mr W didn't think the compensation offered was sufficient. So, he referred his complaint to our service. Our investigator upheld Mr W's complaint. He thought £300 compensation was fairer to acknowledge the distress he was caused. He says the initial valuation of Mr W's car seemed too low based on the industry trade guides he'd seen. But this was increased after he disputed the valuation and he thought Admiral's final offer was fair.

Mr W didn't agree with this outcome. He says he's still receiving correspondence on white paper with black lettering. Mr W says he wants at least double the amount of compensation our investigator thought was fair and says the issue of his spare tyre has been ignored.

Admiral accepted our investigators findings but because Mr W didn't agree the complaint has been passed to me to decide.

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 decided to uphold Mr W's complaint. I won't be adding to the compensation our investigator thought was reasonable. I understand this will come as a disappointment to Mr W, but I will explain why I think my decision is fair.

I'm sorry Mr W's car was considered a total loss as a result of the collision he was involved in. I've looked at the policy terms to understand what Admiral is expected to pay in these circumstances. The terms say:

"What we will pay

If we give you a cash sum, the most we will pay is the market value of the vehicle."

The terms define market value as:

“The cost of replacing your vehicle; with one of a similar make, model, year, mileage and condition based on market prices immediately before the loss happened. Use of the term ‘market’ refers to where your vehicle was purchased. This value is based on research from industry recognised motor trade guides.”

When looking to see if an insurer has behaved fairly, we don’t provide a valuation, but rather we look to see whether the offer the insurer made is reasonable. To assess whether a reasonable offer has been made, we obtain valuations from the motor trade guides. These guides are used by the industry for valuing second-hand vehicles. We find these guides to be persuasive because their valuations are based on nationwide research and likely sales figures. The guides also consider regional variations.

I can see that Admiral referred to the trade guides and offered £6,640 minus the policy excess. From its records the range of values it obtained was between £5,996 and £6,640. Admiral confirms it offered the top end of the range of valuations.

Our investigator obtained valuations from four trade guides. These ranged from £6,275 up to £6,700. He thought the valuation Admiral proposed was fair, based on the range of values he obtained. I’ve checked to see what information was used. I can see that he included the correct make, model, age, and mileage of his car. I can also see that he looked at the retail transacted valuations, not the trade prices, which is what I’d expect.

The average of our valuations is slightly more than Admiral offered. But its offer falls within this range of values and I’m mindful that valuing second-hand cars isn’t an exact science. So, I can’t say Admiral’s offer was unfair.

Turning to Mr W’s concerns about the handling of his claim, I can see from the records provided by Admiral that he was told his car would be taken to its approved garage for assessment. However, this didn’t happen on the date he was initially advised. Admiral says it allows up to 48 working hours for a customer’s car to be delivered to the repairing garage. But it accepts the garage promised Mr W this would happen sooner and so didn’t handle his expectations well here.

Admiral says there was a delay in the estimate for the repairs being completed. It acknowledges Mr W’s comments that he lost earnings as a result of this. It also says its prepared to consider these losses on receipt of evidence.

From what I have read Mr W’s car was delivered to Admiral’s approved garage in a reasonable timeframe. This was within the 48 working hours Admiral says it expects a delivery to take. I don’t think it took an excessive amount of time to get Mr W’s car to the garage and so I don’t think he was treated unfairly. However, Admiral says it will consider loss of earnings if Mr W provides evidence. I think this is reasonable.

Admiral says all of its approved garages were very busy around the time it was handling Mr W’s claim. It says a valuation was provided within its expected timeframes, but this could’ve been quicker had the garage not been so busy.

From first reporting his loss to Admiral to receiving a valuation for his car took around nine days. The accident must have been upsetting for Mr W. I understand that he was frustrated that the timeframes advised by the garage, weren’t met. But overall, I don’t think the time taken to assess the damage and provide a settlement offer for his car was unfair. It’s reasonable to expect an insurer to be able to assess and consider the value of the car before confirming a payment offer.

I can see that Admiral accepts Mr W's account of the difficulties he had contacting its garage. It says it also tried to call the garage and had similar issues. Admiral also accepts Mr W explained that he needs a yellow background to be used on any written correspondence due to his visual disorder. It says it will ensure feedback is provided on this issue internally. It also accepts it didn't inform its garage of Mr W's requirement.

From the records I can see that Mr W made Admiral aware of his visual disorder shortly after he reported the accident. It's reasonable to expect Admiral to act on this information and adjust its written communication to accommodate Mr W's needs. It should also have made sure its garage was aware of this requirement. I can understand that it was frustrating for Mr W, as he couldn't read the information he was sent, and he had to reiterate his requirements more than once.

I note Admiral accepts it didn't manage Mr W's expectations when telling him when it would provide a valuation. It says the valuation was provided within its expected timeframes, but it acknowledges he was told this would happen more quickly than it did.

As discussed, I think the overall timeframe from reporting the claim to confirming the valuation was reasonable. But I accept Mr W's expectations could've been managed better by Admiral.

In response to Mr W's concerns about the first agent he spoke to on the phone – Admiral accepts Mr W was told several times he would be considered at fault for the accident. It says the agent could've been more helpful, for which it apologised.

I can see Mr W was concerned that he was told his personal belongings would be returned, and then being told the opposite. I understand his belongings have since been returned to him. Admiral says it's the customer's responsibility to arrange collection of any personal items. But as Mr W was given incorrect information about this, it arranged for them to be returned in his case.

Mr W says the spare tyre in his car was an optional extra and that it should be returned to him. Admiral says Mr W can collect it from the salvage company if he chooses to, but it is too large to arrange delivery to his address.

I've thought about whether this is fair. I think it is. I say this because although Mr W refers to the spare tyre as an optional extra, this was still part of the car. In providing a settlement payment to Mr W Admiral effectively took ownership of the salvage, which includes the spare tyre/wheel. I think it's reasonable that he was offered the opportunity to collect it, but I'm not persuaded it was reasonable for Admiral to pay the delivery cost.

Having considered all of this I don't think Admiral treated Mr W unfairly when offering the settlement payment, it did. I don't think it treated him fairly when it failed to acknowledge his visual disorder and continued to provide correspondence that he couldn't read. And when not informing the approved garage of this requirement. Admiral also managed Mr W's expectations poorly on several occasions, and he found it difficult to make contact. For these reasons I think £300 compensation is fair.

I realise Mr W will be disappointed. By no means is my intention to diminish the upset he experienced. But based on what I've seen I think this represents a fair outcome and is in line with awards our service has made in similar circumstances.

My final decision

My final decision is that Admiral Insurance (Gibraltar) Limited should:

- pay Mr W £300 compensation for the upset, frustration, and inconvenience it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 15 November 2022.

Mike Waldron
Ombudsman