

## **The complaint**

Mr B is unhappy with the valuation of his car provided by Admiral Insurance (Gibraltar) Limited when making a claim under his car insurance policy.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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 don't uphold it. I'll explain why.

- Admiral has a regulatory obligation to treat customers fairly. It also has an obligation to handle insurance claims fairly.
- The policy terms provide cover for damage for Mr B's car. It's reflected that when Admiral gives a cash sum rather than pays for the repairs of the car (as is the case here), it will only pay the market value of the car.
- Market value is defined as: "the cost of replacing your vehicle, with one of the similar make, model, year, mileage, and condition based on market prices immediately before the loss happened... This value is based on research from the industry recognised motor trade guides".
- Given the age of Mr B's car, only one of the industry recognised motor trade guides could be used to provide a valuation. And that's in line with the valuation set out in the independent desktop assessment.
- The independent desktop assessment report dated October 2022 ('the report') valued Mr B's car at £2,824. In support, an advert was included from a trade website of a car of the same age and similar make and model being sold for £2,600. An increase was made to reflect that Mr B's car had been driven around 18,000 less miles.
- The report describes the pre-accident condition of the interior and exterior of Mr B's car as 'average'. Mr B doesn't think that's fair; he's described it as 'immaculate'. But I don't think Admiral has unfairly relied on the contents of the report, the photos of the car and experience of the author of the report when describing the condition of the car.
- When submitting a complaint to our Service Mr B included adverts of cars of the same make and model as his. They were being advertised at between £6,999 and £8,250. I've taken these adverts into account but two of the cars have been driven significantly less miles than Mr B's car. And Mr B's car was a few years older than the other. So, I don't think this is persuasive evidence that Admiral hasn't fairly offered him the market value as defined by the policy terms.

- Mr B has provided more recent adverts from a trade website showing cars of the same age as his car or a year younger being advertised with similar specifications. They're priced between £4,895 and £6,250 (although there's one priced above £10,000 which has been driven considerably less miles, so I've placed less weight of that valuation). Mr B has also provided adverts on other websites showing similar cars a year either side of age of his car, and of different mileages and condition. One is described as 'immaculate'. They're priced between £5,000 and £7,000. However, differences in mileage and year of registration can have a big impact of the value of the same model of car. Further these adverts are from around six months after the date of his loss. So, I've placed more weight on the advert attached to the report which was much closer to the date of the accident. The report is provided by an independent third party and they've provided evidence of a similar car available for sale around the time of the report – and adjustments have been made to reflect the lower mileage on Mr B's car.
- I'm satisfied is more reflective of the market price immediately before the loss occurred. Particularly as that's in line with the one industry recognised motor trade guide that was able to produce a valuation.
- I've seen nothing to show that Mr B provided alternative adverts of cars (of the same age, mileage, model and specification as his) at the time to contradict the valuation provided by Admiral. And although he's since provided adverts to our Service, these are more recent so I've placed less weight on what they show.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 27 September 2023.

David Curtis-Johnson  
**Ombudsman**