

## **The complaint**

Mr R is unhappy with the service provided by Admiral Insurance (Gibraltar) Limited (Admiral) following a claim he made on his car insurance policy.

## **What happened**

Mr R took out a car insurance policy with Admiral in March 2022. The policy booklet explained that in the event of a claim *'We will decide how to settle your claim... If we give you a cash sum, the most we will pay is the market value of the vehicle.'*

The policy booklet defined *'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.'*

In November 2022 Mr R's car was involved in an incident causing damage to the car. Admiral accepted Mr R's claim and provided a value of £6,072.40 as the market value for his car (resulting in a payment of £5,572.40 to Mr R after his excess of £500 was applied). Mr R was unhappy with this amount and complained to Admiral. Mr R tried to contact Admiral asking them to respond, however he experienced difficulty speaking to a representative because of long queue waiting times.

In response to Mr R's complaint Admiral offered to increase the market value of his car to £7,525. Admiral agreed to pay Mr R the difference between this amount and the previous payment of £5,572.50 plus interest on this amount. Admiral also recognised the service they'd provided wasn't in line with their usual service standards. Admiral offered an additional £55 in recognition of the difficulty Mr R had experienced in trying to speak to someone during busy periods, and the distress caused to Mr R because of this.

Mr R didn't accept Admiral's offer to put things right and brought his complaint to this service for investigation. He was unhappy with the market value offered by Admiral.

The investigator found that the service provided by Admiral fell short of what we'd expect, but thought the calculation of the market value of Mr R's car for £7,525 was in line with our approach, and the compensation offered for the poor level of service was also reasonable.

The investigator didn't recommend any further compensation. Mr R didn't agree. As the complaint couldn't be resolved, it was passed to me for 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 reviewed the evidence I agree with the investigator's findings on this complaint for broadly the same reasons. I can understand this is likely to come as a disappointment to Mr R but I hope my findings go some way in explaining why I've reached this decision.

I've focused my comments on what I think is relevant. If I haven't commented on any specific point it's because I don't believe it's affected what I think is the right outcome.

### *Market valuation*

The crux of Mr R's complaint concerns the market value offered by Admiral for his car. Mr R says *'the true value of my vehicle... equal to the other similar [cars], with identical trim and specification, and near identical mileage and registration date [is] valued at £8,499 at the time of my non-fault accident.'*

We can only ask Admiral to do more to put things right if we find that they've done something wrong, and not done enough to put things right. So I've looked at the trade guides that we would usually refer to when dealing with complaints about market valuation.

Trade guides are based on extensive nationwide research of likely (but not actual) selling prices. They use advertised prices and auction prices to work out what likely selling prices would've been. We expect insurers to use trade guides when valuing a car for claims purposes. Based on the circumstances of Mr R's complaint, I think it's fair that Admiral used the trade guides here.

We've checked four trade valuation guides commonly used to find out selling prices of a car of a similar make and model to Mr R's, with a mileage of 118,776. The values returned from these guides show- £8,052 (Auto Trader), £7,525 (CAP), £7,302 (Cazoo), and £7,030 (Glass's). The average value of these four values returned is £7,477.25.

I've considered Mr R's comments about adverts he found online similar to his own car. Mr R has specifically referred to a car he found with mileage of 105,527 on sale for £8,499. The mileage on this car is materially lower than the average mileage calculated for Mr R's car of 118,776. So I don't think the comparison is like for like as Mr R says.

The valuation offered by Admiral is £7,525 (using the valuation returned by CAP). This is higher than the average market valuation using the four trade guides. From the trade guides I've looked at, and the values returned for Mr R's car, I think Admiral's decision on the valuation to pay Mr R for his car is fair. So I won't be asking Admiral to reconsider this.

### *Calls to Admiral*

It's not disputed that Admiral could've done more to provide Mr R with a better level of customer service. I am persuaded by what Mr R has explained about the numerous attempts to contact Admiral, and the difficulty in speaking to a representative about his claim.

When thinking about the impact on Mr R because of the delay in dealing with his claim, and difficulty in reaching Admiral, I think the £55 offered by Admiral amount in line with what we'd recommend in the circumstances. It's clear Mr R tried to contact Admiral to sort things but he wasn't able to reach them.

Although I think Admiral could've provided a better level of service, I think they've done enough to put things right with the compensation paid of £55. This considers the contact made to Admiral, and the upset caused by Admiral's lack of timely response. It also considers the response to Mr R within the eight weeks that's allowed for a business to respond to a complaint. So I won't be asking Admiral to pay anything more.

**My final decision**

My final decision is that the offer to settle the complaint is fair and reasonable. So I won't be directing Admiral Insurance (Gibraltar) Limited to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 6 July 2023.

Neeta Karelia  
**Ombudsman**