

The complaint

Miss D complains about how Admiral Insurance (Gibraltar) Limited (“Admiral”) handled a claim on her motor insurance policy.

What happened

Miss D had a motor insurance policy with Admiral covering her car. In October 2022 her car was damaged in a collision and she made a claim.

Admiral told her that it had assessed her car to be beyond economic repair. It told her it had been written off as a category N, and as such her policy had been cancelled.

It said the car had a market value of £1,667.

Miss D wasn’t happy about this valuation and she complained about it and Admiral’s service. Admiral gave conflicting information to Miss D when it told her it had written off her car due to its age or because its engineers had assessed it by viewing photos. It later emerged that the engineers hadn’t assessed the car when Miss D had already been told it was written-off. Admiral increased its valuation to £2,425 about 11 weeks after the collision.

Miss D regards her car as a ‘classic’. She retained the car and says she was caused considerable distress and inconvenience by Admiral’s poor service. Admiral offered her £100 compensation.

She remained unhappy and brought her complaint to this service. She asks for Admiral to increase its valuation to over £4,000 and offer her more compensation.

Our investigator looked into it and upheld it. He thought Admiral should increase its valuation to £3,326, plus interest at 8% simple. He also thought Admiral should pay a total of £400 compensation.

Miss D accepted the view, but Admiral didn’t. It said it didn’t agree Miss D’s car was a ‘classic’ so it thought the valuation was too high. It agreed Miss D should have been given a higher valuation when she made her claim, and it agreed to pay a total of £200 compensation.

Because Admiral didn’t agree, this complaint has been passed to me 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.

At the heart of Miss D’s claim is her car, which was about 18 years old when the damage happened. This service has a standard approach to vehicle valuations where we use trade guides to arrive at an average value for each vehicle. In Miss D’s case, we’re not able to use the full range of guides as her car is at the upper end of the age range. But limited evidence

is still available from other guides we use.

I've looked into her car in more detail and I can see that it's a fairly rare model – production stopped soon after her's was made and I can see it's a popular car for enthusiasts.

But that doesn't necessarily make it a classic – which is where Admiral say cars over the age of 35 years begin. I've thought about Admiral's point of view here and I think it's fairer to say that its definition is quite restrictive. Miss D's car was slightly older, a niche model and the sort coveted by collectors who typically would keep them in better than average condition – all of which would indicate to me that her car should be treated as a classic in this decision.

I've looked at the values from the trade guides we can use. They are:

Guide A = £5,479

Guide B = £2,045

Guide C = £2,425

When one of the results is regarded as an "outlier", our approach for most vehicles would be to discount it from our calculations. But Miss D has supplied this service with considerable evidence about her car's value – including a photo-based valuation from an owner's club.

The vast majority of these valuations are towards the upper end of the range of trade guides mentioned above. So taking this into account, I think the fair thing to do is to include Guide A in the calculation, making the average £3,326. I can see Miss D has accepted this amount and I think it's fair that I ask Admiral to increase its payment to her by £901, plus interest at 8% simple from 4 November to the date it makes payment.

I've also thought about Miss D's distress and inconvenience during her claim. I can see that she reported the collision to Admiral and was quickly told her car was a write-off. She was told her car was worth £1,667, and Admiral later said this offer was too low and she shouldn't have been offered it.

There followed a period of some confusion for Miss D when she was told her car was written off, and therefore her policy was cancelled, even though it hadn't been assessed by Admiral's engineers at that point. She was then unable to move the car to make arrangements for a possible repair because she'd been told her policy had been cancelled already.

Miss D has also talked about her inconvenience during the festive period which is a particularly busy time for her. In the end, Admiral didn't increase its valuation for about 11 weeks which I think is a very long time to wait. During this time, Miss D didn't have a car and was relying on friends and family for transport. Admiral's initial valuation was so low that she wasn't able to have her car repaired.

She has also talked about the stress on her because of the lies she says Admiral told her, and the inconsistencies in its version of events, which even happened during individual phone calls.

Taking all of this into account, I can see that Admiral's poor service caused Miss D significant distress and inconvenience. I've looked at this service's guidelines and I think a payment of £400 is appropriate compensation in Miss D's circumstances.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint. I direct Admiral Insurance (Gibraltar) Limited to pay Miss D:

- An additional £901, making her car value £3,326.
- Interest at 8% simple on this amount, from 4 November 2022 to the date payment is made.
- £400 compensation for her distress and inconvenience.

Admiral Insurance (Gibraltar) Limited must pay the amount within 28 days of the date on which we tell it Miss D accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 2 August 2023.

Richard Sowden
Ombudsman