

## **The complaint**

Mr B complains about the value Admiral Insurance (Gibraltar) Limited placed on his vehicle after he made a claim on 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. Instead, I'll focus on providing my 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.

- The policy says that Admiral can pay a cash sum to replace the damaged vehicle. It explains the most it will pay is the market value of the vehicle and it defines that as replacing the vehicle with a similar make, model, year mileage and condition based on market prices immediately before the loss happened. It goes on to say the value is based on research from industry recognised motor trade guides.
- In this instance, Mr B's vehicle did not appear in the motor trade guides. Admiral therefore asked the opinion of an engineer as to the value of Mr B's vehicle. It appears the engineer based that valuation on the average of two adverts and then deducted over £2,000 for the fact the vehicle had higher mileage than the advertised vehicles.
- It is not the role of this service to value a vehicle, we look at all of the information available to see if the insurer has offered a price that reflects a fair market value in line with the policy terms. In instances where the vehicle doesn't appear in motor trade guides, I recognise that this can be more difficult.
- I think Admiral acted reasonably by asking an engineer to provide their opinion on the value of the vehicle. However, here the engineer made a deduction for mileage at a set rate, but I have not been provided with any justification as to how that reflects market rates in relation to this particular vehicle and therefore, I can't say that deduction is fair. I accept generally that higher mileage will have an impact on the value of a vehicle, however I haven't been provided with the evidence in this particular case why the rate is fair.
- Mr B only purchased the vehicle around two months prior to the loss and therefore I think it is reasonable to also take this into account. There is also evidence available to me of a vehicle with similar mileage being advertised for a higher price than Admiral have offered.
- Overall, having considered everything available to me, I'm persuaded that the price Mr B purchased the vehicle for £7,800, most likely reflected a fair market value of it at the time of loss, even taking into account a reduction for mileage. I think this is

supported by the fact the engineer initially started their valuation at a higher price of £8,245 before any deduction for mileage was made.

- Admiral offered Mr B £25 compensation for the delay in providing him with its response to his complaint which I think is reasonable. Complaint handling itself isn't a regulated activity and therefore I wouldn't look to change this.

For the reasons above, I uphold this complaint.

### **Putting things right**

Admiral should pay Mr B a total of £7,800 in settlement for his vehicle. If it has already made payment of part of that amount to Mr B, it should arrange to pay any outstanding amount with interest added at 8% simple per annum from the date of the original payment to the date of settlement.

Admiral is entitled to deduct any applicable excess.

### **My final decision**

My final decision is that I uphold Mr B's complaint against Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 July 2023.

Alison Gore  
**Ombudsman**