

The complaint

Mr H is unhappy with how Admiral Insurance (Gibraltar) Limited have dealt with a claim he made on a commercial motor policy.

What happened

The details of the 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.

Having done so, I agree with the conclusion reached by our investigator that the complaint should be upheld. I do so for the following reasons:

- Our service doesn't value vehicles. Instead, we check to see that the insurer's valuation is fair and reasonable and in line with the terms and conditions of the policy. We normally base this on the various trade guides whose figures are based on nationally recorded sales. However, we will also look at any other evidence produced including adverts.
- The trade guides value Mr H's vehicle at £11,541, £10,262 and £8,550. Mr H has also provided evidence to show that to replace his vehicle with one of a similar make and model, he would have had to pay in the region of £11,000 upwards. Admiral offered £9,443.50.
- Considering all of the evidence, the lower guide appears to be out of line and as such, I think it would be reasonable to disregard it. The investigator recommended that Admiral pay an average of the top two guides, £10,901.50. I don't think this is unreasonable as I think it more likely reflects a fair market value of the vehicle.
- The guide valuations do not include Value Added Tax ("VAT"), and the policy excludes VAT on claims where this amount can be reclaimed from the appropriate authority. As Mr H's business is VAT registered, I think it is reasonable for Admiral not to pay this amount to Mr H.
- Mr H was not entitled to a courtesy van under his policy, so I think Admiral acted reasonably here in not providing one.

Putting things right

To put things right Admiral should do the following:

Pay Mr H £10,901.50, less any amount already paid and any applicable excess. It should add interest on the amount paid to Mr H at 8% simple per annum from the date it made the original payment to the date of settlement.

My final decision

My final decision is that I uphold Mr H's complaint against Admiral Insurance (Gibraltar) Limited. I direct it to put things right as I have set out in the section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 October 2023.

Alison Gore
Ombudsman