

The complaint

Mr S has complained about the amount Admiral Insurance (Gibraltar) Limited has paid in settlement of his 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 are not 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 agree with the conclusions reached by the investigator for these reasons:

- Admiral is required to consider claims promptly and fairly in accordance with ICOBS 8.1.
- Mr S's policy required Admiral to pay him the market value of his car at the time it was damaged. This is defined as the cost of replacing his vehicle with one of a similar make, model, year, mileage and condition based on market prices immediately before the loss happened.
- Admiral valued Mr S's car at £3,093. However, the three guide values our investigator obtained were £2,825, £3,360 and £3,754. And I agree the lower of these should be disregarded, as what we would describe as an outlier.
- I agree that an average of the other two guides is a fair value and this is £3,557. This means Admiral should pay Mr S a further £464, plus interest at 8% per annum simple from the date it paid its settlement amount to the date of actual payment of the additional £464. The interest is to compensate Mr S for being without money he should have had.
- I appreciate Admiral considers the lower valuation should be counted as part of a broad range, but I do not agree. I appreciate it's borderline, but the lowest guide value is over £500 lower than the next lowest guide value, whereas the other two are just under £400 apart.

Putting things right

It therefore follows that I consider the fair and reasonable outcome to Mr S's complaint is for Admiral to pay him a further £464, plus interest at 8% simple from the date Admiral paid its settlement amount to the date of payment of the additional amount due.

My final decision

I uphold Mr S's complaint and order Admiral Insurance (Gibraltar) Limited to do what I have set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 November 2023.

Robert Short
Ombudsman