

The complaint

Mr D and Ms W say Admiral Insurance (Gibraltar) Limited didn't pay enough for the loss of their car when they made a claim on their motor insurance policy.

What happened

Mr D and Ms W thought their car was worth £20,000, but Admiral only offered them £18,780, based on the valuation figures it noted in two of the national trade guides.

One of our investigators looked at the figures set out in all four of the guides and noted that the two guides Admiral had relied on quoted the two lowest figures set out in the four guides. He said the average of the four guides was £19,426. Mr D and Ms W accepted his proposal that Admiral should pay them the difference between that sum and the original sum it had offered. Admiral asked to see the figures the investigator had found, but as it didn't then comment further, the complaint was passed to me for review.

I issued a provisional decision upholding the complaint, but I thought the sum set out in one of the guides should be disregarded, as it was out of line with the other three. The difference between three of the guides was only £686, which I thought was consistent, and produced an average of £19,937. The difference between all four guides was £2,301. I said I was minded to conclude that Admiral should pay Mr D and Ms W a further £1,157 (minus the policy excess, plus interest). I asked the parties to comment on my provisional findings. Mr D and Ms W accepted them, and Admiral didn't comment.

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.

As Mr D and Ms W have accepted my provisional decision and Admiral hasn't commented on it, there's no need to depart from my provisional findings. For the reasons set out above, I think it would be fair and reasonable for Admiral to pay Mr D and Ms W the difference between its original offer and £19,937, plus interest.

My final decision

My final decision is that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to pay Mr D and Ms W the difference between its original offer of £18,780 and the average of three of the trade guides (£19,937) minus the policy excess.

It should add interest to the sum due, at the simple yearly rate of 8%, from the date of the original payment to the date of settlement.

If Admiral thinks it should deduct tax from the interest, it should tell Mr D and Ms W how much is deducted, so they can reclaim it from HMRC if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Ms W to accept or reject my decision before 29 December 2023.

Susan Ewins
Ombudsman