

The complaint

Mr S complains that the car valuation he received from Admiral Insurance (Gibraltar) Limited ("Admiral") is too low. He also stated that he was not clear as to why his car was deemed to be a total loss and considered to be beyond economic repair.

What happened

Mr S was involved in an accident on 30 June 2023. His car was deemed to be beyond economic repair and Admiral offered to settle Mr S's loss based on a valuation of his car at £71,960. Mr S claimed that Admiral also failed to explain why the vehicle was deemed a total loss. He would like a higher valuation for his car, particularly as he says that the replacement vehicle, which is like his previous car, has cost him more than the valuation offered by Admiral.

Admiral submitted the following valuations: Glasses' valuation at £71,170 and CAP at £72,750. Their independent assessor valuation report, based on the trade guides showed a valuation of £71,170. Admiral say that this is an expert valuation, based on extensive research into valuing the vehicle. It does not however consider the additional specifications on the vehicle which Mr S outlined.

Admiral made an offer and a payment to Mr S of £71,960. This is the mid-way point between the two valuations they obtained Admiral feel that they have valued the vehicle fairly.

Our investigator obtained the following valuations: Glasses' Trade valuation for Mr S's car was £71,170, Percayso was at £72,417 and AutoTrader at £76,587 and were comparatively higher. The investigator obtained a valuation by CAP which provided a base valuation for Mr S's vehicle as £72,000 and a further £5400 for the factory fitted specifications for Mr S's vehicle.

Our investigator didn't feel that Admiral's offer was fair and reasonable. Having taken account of the guides and information provided, he felt that a fairer market value would be for Admiral to pay a further £5440 plus 8% simple interest. This higher valuation would be in line with the CAP valuation and would include the additional specifications for Mr S's car for the factory fitted extras (such as comfort plus pack, visibility pack, parking assistant pro, metallic paint, leather interior, alloy wheels).

Admiral felt that they had valued the vehicle fairly and so asked for an Ombudsman 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.

My role is to consider if Admiral have acted fairly and reasonably and have offered Mr S a fair market value for his vehicle that is in line with the policy terms and conditions. To do this, I have considered various trade valuation guides and have also considered the additional comments made by Admiral to assess what is a fair market value for the vehicle. I have considered that the contracted policy offered the market value of the vehicle if the vehicle is beyond repair. The terms and conditions of the policy define market value as:

“The cost of replacing your vehicle; with one of a similar make, model, year, mileage and condition based on market prices immediately before the loss happened. Use of the term ‘market’ refers to where your vehicle was purchased. This value is based on research from industry recognised motor trade guides”.

Looking at the guide values Admiral have provided; I am not persuaded that their offer of £71,960 is fair as it does not reflect the value of the additional factory fitted extras present in Mr S's vehicle. These specifications would increase the open market sale price for the car. There isn't any other evidence to persuade me that a valuation in line with the higher valuation is inappropriate, and to avoid any detriment to Mr S, the highest valuation produced by the guides is my starting point. Considering the overall variation of values produced, and the lack of other relevant evidence produced by Admiral, I consider that a more appropriate fair market valuation would be the highest of the guides which is £77,400. Mr S should also be paid 8% simple interest for the time he has been without the additional money owed.

Putting things right

I am aware that Admiral have already made an interim payment of £71,360 which was the full £71,960 they offered minus the excess of £600. Therefore, Admiral only needs to pay the remaining outstanding balance plus interest on that amount.

My final decision

For the reasons given as above, my final decision is that I uphold this complaint and require Admiral to carry out the redress set out below.

I require Admiral Insurance (Gibraltar) Ltd to pay Mr S £5440 plus 8% simple interest from the date of the initial settlement payment to the date it's paid.

From review of the file, I could not see if Mr S was provided with the independent assessor / engineer's report dated 7 August 2023, which was to be considered as part of the subject access request raised on 17 August 2023. If this document has not been provided, then I would urge Admiral to share this with Mr S for his understanding of the reported repair costs to his vehicle and the new parts that would have been required and why his vehicle was deemed to be beyond economic repair.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 25 September 2024.

Tehniat Watson
Ombudsman