

The complaint

Miss J has complained about the amount Admiral Insurance (Gibraltar) Limited has paid in settlement of her motor insurance claim.

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 conclusion reached by the investigator for these reasons:

- Miss J's policy terms mean Admiral must base its settlement of her claim on the market value of her vehicle at the time it was damaged. This is defined 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.'
- I am not persuaded by the evidence it has provided that Admiral has based its settlement on the cost of replacing Miss J's vehicle with one of a similar make, model, year, mileage and condition.
- Our approach to disputes on this issue is to look at four valuation guides. And to ensure that the customer has received a settlement based on the correct market value, we would say the highest guide value should be used. And if the insurer's valuation isn't the same or very close to this, we'd look to see if it's supported by other evidence, such as adverts or an expert's opinion. If it's not supported by other evidence, we will tell the insurer to use the highest guide value to settle the customer's claim.
- In this case the highest guide value is £10,664. And Admiral hasn't provided any compelling evidence to support using a lower value than this. It has provided some adverts for similar vehicles to Miss J, but these are not from the date hers was damaged, so I don't find them persuasive.
- Miss J has also provided lots of adverts. But these are mainly for similar vehicles in terms of the age and specification, but they all have a significantly lower mileage. The mileage on Miss J's vehicle was well above average, which is why I think it was difficult for her to find a suitable replacement at or around £10,664.

Putting things right

For the reasons set out above, I've decided to uphold Miss J's complaint and make Admiral settle her claim using a market value for her vehicle of £10,664. This means it must pay Miss J the extra amount due because of this.

It must also add interest at 8% a year simple to the extra amount due to compensate Miss J for being without this amount.

My final decision

I uphold Miss J's complaint and order Admiral to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 13 May 2024.

Robert Short
Ombudsman