

The complaint

Mr O complains about the amount Admiral Insurance (Gibraltar) Limited (“Admiral”) valued his vehicle for following a claim under his car insurance policy.

What happened

Mr O had a motor insurance policy with Admiral covering his car

In December 2023 his car was seriously damaged. Admiral assessed it as being beyond reasonable repair and write it off. Admiral initially valued his car at £11,835 as it deducted 10% for the vehicle not having a valid MOT.

Mr O explained why his car didn’t have one, which was due to local issues with availability of MOT appointments, and Admiral revised its valuation to £13,150.

It said it would pay him £75 because of its error with the MOT and added interest to the settlement amount at 8% simple.

Mr O complained. He lives in Northern Ireland where he says car prices aren’t the same as in the rest of the UK. He says cars like his could be worth substantially more.

Mr O remained unhappy and brought his complaint to this service. He asked for his claim to be settled for a higher amount.

Our investigator looked into it and thought it would be upheld. He thought a fair value for Mr O’s car would be £14,802 unless more evidence was produced by either party.

Admiral didn’t agree with the view. It said it provided an independent assessment of the value of the car and it thought that was correct. Mr O accepted the view.

Because Admiral didn’t agree, this complaint has been passed to me for a final 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.

I’m upholding Mr O’s complaint and I’ll explain why.

I’ve read Admiral’s file of evidence. In it, it says that its engineer arrived at its valuation of £11,810. When our investigator sent his valuation from the market guides at £14,802 Admiral’s response was to simply say its engineer’s valuation was correct and was provided by a specialist independent person.

But I can’t see further evidence from it. The report it sent to this service is primarily about the condition of the car post-damage. It does include a suggested settlement amount, but there’s no information on the report about the car’s pre-damage condition that might show a different valuation was suitable.

It's this service's approach that we use trade guides from a range of companies to arrive at a fair market value for a vehicle. I can see that Admiral uses that approach too. It uses two market guides, and the highest value from those two was £13,150. This service uses four guides, and the highest value was £14,802. I don't regard this trade guide value as being an 'outlier' and so I think £14,802 is a fair valuation and in line with this service's approach.

Mr O has confirmed he accepts this service's valuation.

So in the absence of further information from Admiral, I think a fair settlement is £14,802. Admiral now needs to settle Mr O's claim in line with this amount and subject to the remaining terms of the policy. Interest at 8% simple should be added to this increased amount from the date the previous payment was made to this date this payment is made.

My final decision

My final decision is that I uphold this complaint. I direct Admiral Insurance (Gibraltar) Limited to settle Mr O's claim at a market value of £14,802 subject to the remaining terms and conditions of the policy.

Interest at 8% simple should also be paid on the difference between the earlier settlement figure and this amount, from the date the earlier settlement was made to the date this payment is made.

Admiral must pay the amount within 28 days of the date on which we tell it Mr O accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 13 August 2024.

Richard Sowden
Ombudsman