

## **The complaint**

Miss H has complained about Admiral Insurance (Gibraltar) Limited. She isn't happy about the way it dealt with a claim under her motor insurance policy and the delays caused.

## **What happened**

I looked at this case and provided my initial thoughts in my provisional decision as follows;

*Miss H took out a motor insurance policy with Admiral and she isn't happy about the way it dealt with a claim under her policy and the impact all of this and the general delays had on her. Miss H has advanced a complaint separately about some delay and poor service at the start of the claim that has already been dealt with and will not be considered as part of this complaint.*

*This complaint will focus on Miss H's concerns regarding the fact she had to pay road tax on her car even though she could not use it; Admiral's decision to write her car off; being charged a policy excess; charges incurred in relation to parking tickets; cancellation charges; and about the distress and inconvenience Miss H faced in dealing with this claim – including being told she couldn't use the courtesy car during the claim.*

*Our Investigator looked into things for Miss H and partly upheld her complaint. She felt Admiral didn't act unreasonably in deciding to write her car off and that Miss H was always going to be responsible for paying her car tax. But our Investigator felt that Miss H wasn't given clear advice about her policy excess and the way her hire car was dealt with under the policy which left her to deal with a lot of unnecessary distress and inconvenience at an already very difficult time. And she thought it should increase the market value it paid Miss H for her car. So, she asked Admiral to pay £750 compensation, partly in acknowledgement of Miss H's very difficult personal circumstances and the impact on her and asked it to waive fees in relation to the hire car that she had incurred and to increase the market value of her car to £5,525. As Admiral didn't fully agree the matter has been passed to me for review.*

## **What I've provisionally 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 have come to a slightly different view to our Investigator, and I want to give both sides the opportunity to comment before finalising my decision.*

*I think it's important to explain I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said in this decision it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint.*

*This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless it's relevant to the crux of the complaint.*

*Admiral has questioned whether it is fully responsible for all of the points raised by our Investigator in relation to the hire car issues Miss H faced which I will come back to. But it has clarified that the fees in relation to the hire car have been waived so I don't need to comment on this any further here or to interfere with this.*

*However, I don't think Admiral has valued Miss H's car fairly and I don't think the proposed increase to £5,525 goes far enough although I accept that it acted fairly in writing Miss H's car off.*

*This Service has an approach to valuation cases like Miss H's which has evolved in recent times. When looking at the valuation placed on a car by an insurance company I consider the approach they have adopted. And decide whether the valuation is fair in all the circumstances.*

*It isn't the role of this Service to come to an exact valuation of a consumer's car. But we do look to see if insurers have acted reasonably in looking to offer a fair market value of the car in line with the policy terms and conditions. I pay attention to the various trade valuation guides used for valuing cars. And I look at any other evidence provided by both sides, such as advertisements or details about the condition of the car.*

*Valuing second-hand cars is far from an exact science and it isn't my role to value Miss H's car. I'm just looking to see if Admiral has acted reasonably in providing a fair market value of her car and, overall, I think its valuation wasn't fair.*

*Ultimately, the policy requires Admiral to compensate Miss H, the policyholder, for the market value of her car. The policy defines 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'.*

*In assessing what constitutes a fair value we generally expect insurers to review relevant guides to motor valuations – which is also our starting point for most valuation complaints. And I've looked at the available guides to assess whether Admiral's offer is fair and reasonable. I have reviewed four guides, which gave values of £5,125, £6,244, £5,550 and £6,154.*

*Looking at the valuations produced by the guides, I'm not persuaded that £5,525 is fair. This is because the guides have produced valuations which vary significantly from the lowest to the highest. Admiral's original offer sits towards the middle or lower values produced by these guides, but it hasn't shown why its offer is fair, or that Miss H can replace her car with a similar one for the amount offered.*

*In these circumstances, to be satisfied Admiral's offer represents a fair valuation, I'd expect to have been provided with other evidence (for example, adverts for cars for sale around the time of the loss or expert reports) to support that a lower valuation point is appropriate. I'd need to be satisfied that this evidence is relevant and persuasive before accepting that a lower valuation should be used.*

*In this instance Admiral hasn't produced any evidence to support its position. As Admiral haven't provided any other evidence to persuade me that a valuation in line with the higher valuations produced is inappropriate, and to avoid any detriment to Miss H, the highest valuation produced by the guides feels fairest. So, considering the overall variation of values produced, and the lack of other evidence provided, I consider a more appropriate fair market*

*valuation would be £6,244. And Admiral should pay 8% simple interest for the time Miss H has been without the shortfall as she has been without the money owed.*

*In relation to the other issues Miss H raised, and as our Investigator explained, she was always due to pay her car tax and the excess that was due under the policy so I can't ask Admiral to cover these or pay anything back. But I do agree that it could have explained more clearly that the excess would always be due under the policy. And its failure here knocked on to Miss H and how she expected the claim to be handled and I agree that she should be compensated for this.*

*Turning to the level of compensation. Admiral has explained that it doesn't feel that it is responsible for the actions of the car hire company, but it has worked with them to ensure that any charges Miss H incurred through them have been waived. I've listened to the referral call from around the time of claim and I agree that the referral was clear and that a different company was providing the hire car which Miss H can complain to if she wishes. And given this I think the level of compensation should be reduced.*

*However, it is clear that the way the claim was handled by Admiral could have been better and the impact on Miss H has been significant given her particularly vulnerable situation and personal circumstances. I don't propose to go over Miss H's very difficult personal circumstances here, which Miss H is receiving support for, as they are personal and both sides are fully aware. Admiral has accepted that it should pay compensation for its errors in relation to some of the advice given, the excess explanation given and not giving a fair market value. But I think £400 for the poor service and issues identified, as opposed to £750 feels fairer here.*

## **Replies**

Miss H responded to acknowledge receipt of my provisional decision and said she wished to proceed. While Admiral didn't respond.

## **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 Admiral didn't respond and Miss H didn't provide any comment other than to say she wished to proceed I don't propose to rehearse the arguments again here or to change the position outlined. I remain of the view, for the reasons outlined above, that the complaint should be upheld, and Admiral should pay £6,244 as a fair market value for Miss H's car. And pay £400 by way of compensation for the poor service and issues identified above.

## **My final decision**

It follows, for the reasons given above, that Admiral Insurance (Gibraltar) Limited should pay Miss H £6,244 as a market value for her vehicle plus 8% simple interest from the date it paid the initial payment to the date of settlement. And to pay £400 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 3 July 2024.

Colin Keegan  
**Ombudsman**