

## **The complaint**

Mr J complained that Admiral Insurance (Gibraltar) Limited disposed of his car without his consent during his claim under his motor insurance policy.

## **What happened**

Mr J claimed for damage to his car. Admiral decided that his car was uneconomical to repair and paid him its market value. Mr J told Admiral he wanted his own car back and would arrange for its repair himself. But Admiral didn't return his car to him and instead they sold it. Mr J wanted compensation for this and for us to require Admiral to conduct their business lawfully. He also wanted a part refund of his annual premium.

He complained to Admiral who upheld his complaint and offered him compensation for his distress and inconvenience. This amounted to £400. Mr J didn't think this was enough and so he brought his complaint to us.

The investigator recommended that Mr J's complaint should be upheld. He thought that Admiral should pay a total of £500 compensation. Mr J didn't agree and so I've been asked to decide.

Mr J also complained about the market value Admiral had paid him for his car. However, as the investigator has explained, an Ombudsman has already decided on that as a separate matter. So I can't revisit that or comment on it here.

## **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.

The investigator explained that it's not our role to supervise or regulate the businesses we cover or to ask them to change their procedures, as that's the role of the regulator, the Financial Conduct Authority (FCA). Instead we look at individual complaints.

Mr J wanted Admiral to refund a proportion of the annual premium for the period between the accident and before the policy year end date, what he felt was the "unused" portion. But the annual premium is payment for the insurance cover, and so Admiral are entitled to the full annual premium without refund because they have paid Mr J's claim under the policy and so have given him that insurance cover.

When an insurer decides a car is uneconomical to repair and offers the insured its market value, the insurer owns that car and can sell it for its salvage value. We'd generally expect them to return the car to the insured if he or she wants it, subject to a deduction for the insurer's loss of the salvage value. But here Admiral paid Mr J a market value and didn't give Mr J his car back. So he experienced a loss of expectation of getting his own damaged car back for repair. Admiral did apologise for mistakenly selling Mr J's damaged car and offered him compensation for his loss of expectation. I think that was reasonable of them. Admiral's

records show that they paid Mr J compensation of £300 for that in about September 2023, and they offered Mr J a further £100 later. That makes a total of £400.

Mr J doesn't think that is enough to compensate him for his loss on his car overall. However certain aspects of his overall dispute with Admiral have been compensated for already and this Service has looked at those aspects in the other Ombudsman decision. So I can't look at them here, only at the premium refund issue above and at compensation for the distress and inconvenience for Admiral wrongly selling his car.

Mr J said that he was stressed while dealing with his accident claim and it took time and I recognise that it affected him. He lost a car he liked and wanted to keep, and that's unfortunate. I don't think that Admiral's compensation of £400 in total is enough to compensate him for that and I think that £500 does better reflect that and is in line with our usual approach. So I think that Admiral should pay Mr J £500, less any compensation amounts they have already paid him.

### **My final decision**

For the reasons I've given above, it's my final decision that I uphold this complaint and I require Admiral Insurance (Gibraltar) Limited to pay Mr J £500 compensation in total for his distress and inconvenience caused by their actions, less the amount of compensation they have already paid him.

Admiral must pay the balance of compensation within 28 days of the date on which we tell them Mr J accepts my final decision. If they pay later than this, they must also pay interest on the compensation 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 J to accept or reject my decision before 5 December 2024.



Rosslyn Scott  
**Ombudsman**