

## **The complaint**

Mr P complains about how Admiral Insurance (Gibraltar) Limited (Admiral) declared his vehicle a total loss and placed a salvage marker on his vehicle following a claim made under his motor insurance policy.

## **What happened**

In December 2023 Mr P's vehicle was being driven by a named driver on the policy when it was damaged following a collision. Mr P reported the collision to Admiral as he wished to claim for the damage to his vehicle.

In January 2024 Admiral arranged an inspection of Mr P's vehicle. On the basis of the inspection, Admiral decided Mr P's vehicle was a total loss and a salvage marker was placed on his vehicle.

Mr P was unhappy Admiral had placed a salvage marker on his vehicle as Admiral later said it wouldn't be dealing with Mr P's claim. I'm aware Mr P has raised a separate complaint regarding his claim status with Admiral. This isn't covered within this decision, but it's important to note for context.

Following Mr P's complaint to Admiral regarding the salvage marker, it didn't uphold Mr P's complaint. It said it had an obligation to categorise vehicles when it's notified of damage which was at a significant level to render the vehicle uneconomical to repair. The categorisation is then recorded on the Motor Insurance Anti Fraud and Theft Register (MIATFR) and it's to protect the public and consumers to provide transparency over vehicle history.

Dissatisfied Mr P therefore brought his complaint to this Service.

Our Investigator said he felt Admiral had adhered to industry standard obligations and he didn't feel Admiral had done anything wrong.

Mr P disagreed with our Investigator. The complaint has therefore been passed to me to decide.

## **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.

From the outset I wish to highlight that Mr P has brought a separate complaint to this Service regarding the status of his motor insurance policy. I won't be dealing with this aspect as part of this decision.

### *Inspection and Categorisation of Vehicle*

Admiral arranged for an inspection to be carried out to Mr P's vehicle in January 2024. This Service has been provided with a copy of the engineer's report. Having looked at the report I can see Mr P's vehicle was classed as unroadworthy having sustained a heavy impact.

The engineer's report detailed the estimated repairs and labour to Mr P's vehicle to be in excess of its pre accident value of £116,820. Mr P's vehicle was therefore declared a total loss and a salvage marker placed on the vehicle.

Mr P has said that the salvage marker placed on his vehicle was a Cat N. Looking at the engineer's report, the salvage category is stated as a Cat S. To add context, the difference between the two salvage categories is that a Cat N is classed as non-structural damage and a Cat S as structural damage. Both categories do however allow for a vehicle to be repaired. Following enquiries made by our Investigator to Admiral, it said in October 2024 that Mr P's vehicle was showing as a Cat S.

Mr P obtained his own repair estimate in July 2024, seven months after Admiral had inspected his vehicle and the salvage marker had been added. This repair estimate totals £48,169.07. Even though Mr P's estimate for repairs is substantially lower than that contained in Admiral's engineer's report, I note the same includes aftermarket and used parts which are invariably cheaper. Also, no estimated labour cost is contained within the estimate.

I'm therefore not persuaded even on the basis of Mr P's own repair estimate that his vehicle shouldn't have been classed as a total loss. This is keeping in mind the repair costs don't need to match or exceed the market value of the vehicle for it to be classed as such.

Having taken everything into account I'm satisfied Admiral were acting reasonably when it classed Mr P's vehicle as a total loss and added the salvage marker, relying upon the engineers report it had obtained.

From the available evidence Mr P has said in November 2024 that he has sold the salvage privately as a Cat N for £35,000.

Admiral like other motor insurers is required to log with the MIATFR any vehicle which is assessed as being a total loss. The fact that Admiral classed Mr P's vehicle as a total loss and placed a salvage marker on his vehicle is as I would expect. Admiral was correctly following guidance which is provided to motor insurers.

Therefore, regardless of the status of Mr P's policy and whether Admiral later said it wasn't going to be dealing with Mr P's claim, Admiral was under a duty once it had inspected Mr P's vehicle to correctly notify that the vehicle was a total loss and provide the salvage category. The onus is on insurers to correctly update the register so that the public are aware the vehicle has been classified as a total loss, should the salvage subsequently be purchased. As in this case, Mr P has said he has sold the salvage and therefore it's only right that the person buying that salvage knew it had been declared a total loss. Irrespective of whether Admiral deals with the claim, Admiral weren't wrong to add the salvage marker. I'm therefore satisfied Admiral has followed the correct procedures. I therefore don't intend to ask Admiral to do anything further in this respect.

### **My final decision**

For the reasons set out above I don't uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 27 March 2025.

Lorna Ball  
**Ombudsman**