

## **The complaint**

Mrs F complains that Admiral Insurance (Gibraltar) Limited (“Admiral”) has undervalued her vehicle following an accident and that it failed to provide her with a courtesy car that she was entitled to under her policy.

## **What happened**

Mrs F’s vehicle was written off in an accident in March 2024. She reported the accident to her insurer, Admiral, which subsequently accepted the claim.

However, Mrs F wasn’t happy with the way her claim was handled. She said Admiral left her without a hire car for weeks, which should’ve been provided under her policy. And that she was passed over to another company which didn’t give her a courtesy car initially because it said she had a second vehicle at home. When she complained about this, she was provided with a courtesy car, but Mrs F remained unhappy that this hadn’t been done sooner, which had caused her significant inconvenience.

Mrs F also felt that Admiral’s valuation of her vehicle was unfair. Admiral initially valued it at £7,030 and increased this to £7,178.50. This was further increased when the complaint was referred to this service, to £7,257.

In its final response letters, Admiral offered Mrs F two separate compensation payments of £75 each, for poor service. But Mrs F remained unhappy. She said that Admiral had caused her psychological distress by its refusal to honour the policy and provide her with a courtesy car, and that using her husband’s car left him without a vehicle when he had a disability. She also said she’d been provided with incorrect information about disputing the valuation and buying back her car as Admiral had told her she couldn’t do either, when she later found this to be incorrect. So Mrs F referred her complaint to this service.

Our Investigator considered everything and thought Admiral hadn’t treated Mrs F fairly. It was recommended that Admiral increase its offer to £7,741 as this represented a fair market valuation of Mrs F’s car. And it was also recommended that Admiral pay Mrs F a total of £300 compensation for her complaint.

Admiral didn’t accept our Investigator’s recommendations. It said its valuation was in line with the relevant vehicle valuation guides. Because Admiral didn’t agree, the complaint has now come 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.

As this is an informal service, I’m not going to respond here to every point or piece of evidence Mrs F and Admiral have provided. Instead, I’ve focused on those I consider to be key or central to the issue. But I would like to reassure both parties that I have considered everything submitted. And having done so, I’m upholding this complaint. I’ll explain why.

### *Vehicle valuation*

Under the terms of the policy, Admiral says it will pay, at most, the market value for Mrs F's vehicle in the event of a total loss. And our well-established approach is to consider whether, in those circumstances, the insurer has indeed paid the fair market value to a policyholder.

*"Market Value" is defined in Mrs F's policy as "The cost of replacing your vehicle; with one of a similar make, model, year, mileage and condition based on market process 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."*

Our service doesn't value vehicles, but we do check to see if the insurer's valuation and offer is fair and reasonable, and in line with the terms and conditions of the customer's policy. To do this, we tend to consider the relevant motor trade valuation guides, which we find to be generally reliable as they're based on nationwide research of sales prices. So I've checked the available guides and I can see that Admiral's offers – including its final offer of £7,257 – weren't in line with what I'd consider to be the fair market value for Mrs F's vehicle.

I say this because the various motor trade guides that I've checked gave values ranging from £6,960 to £7,741 – and Admiral's final offer sits closer to the lower end of all the valuations I've seen for Mrs F's vehicle. Whilst it is at the higher end of the guides Admiral has used, I've checked additional resources that Admiral hasn't. And Admiral hasn't been able to demonstrate that Mrs F would've been able to purchase a car similar to her own in terms of make, model, age, mileage and condition within the price range of its offer.

I've considered the adverts provided by Admiral, but have discounted those which are dated long after the date of loss. These included vehicles priced at £7,190 and £7,195 and Admiral says these were reviewed in September 2024. As this date isn't close enough to the time of loss in March 2024, I'm not persuaded these valuations are reliable, as the value of vehicles can drop significantly over several months. The adverts viewed closer to the date of loss in May 2024 include vehicles priced at £7,735, £7,440 and £7,575 – all of which are higher than Admiral's final offer. It's provided one advert from May which is lower than its offer, but this isn't in line with all the other valuations I've seen, so given all the other evidence showing Admiral's offer isn't fair, I'm not persuaded that one advert demonstrates that it is.

I'm also satisfied that the highest valuation from the trade guides is not an outlier, because I've seen adverts which back up this valuation from around the time of loss.

It follows therefore, that I'm not satisfied Admiral's offer of £7,257 is fair and reasonable based on all the information I've seen from the various trade guides and adverts from around the time of loss. So I'll require Admiral to increase its offer to the highest valuation in the trade guides from the date of loss, which is £7,741, from which it may deduct the policy excess. It should also add interest on any additional amount payable to Mrs F, as I've outlined below.

### *Courtesy Car and other issues*

Under the terms of the policy, Mrs F was entitled to a replacement vehicle. Her policy says: *"Our approved repairers, or another company instructed by Admiral will...as an additional benefit of your policy, give you a courtesy car while your vehicle is being repaired"*.

But I can't see that one was provided to Mrs F in a timely manner. The evidence shows that the hire company responded promptly to Admiral's request that it provide Mrs F with a courtesy car. But that request didn't come through from Admiral until 18 April 2024 – a few

weeks after the accident. And the hire company contacted Mrs F on the same day, delivering the vehicle on 20 April. So I'm satisfied the delay wasn't the fault of the hire company.

I've not seen any evidence to explain why a courtesy vehicle wasn't provided to Mrs F sooner, as the claim was made in March and I think Admiral could've been more proactive in starting the process of sourcing a courtesy vehicle for Mrs F when she asked for one. So I'm requiring Admiral to pay compensation to Mrs F for the distress and inconvenience this caused.

I think Admiral also caused Mrs F to worry unnecessarily when it gave her incorrect information in the call on 26 April. The adviser didn't raise a valuation dispute but instead told Mrs F that the valuation would not change. Misleading information was also provided about Mrs F's ability to buy back her vehicle, when Mrs F should've been told this was an option and should've been provided with further information. So all in all, I'm going to require Admiral to pay £300 in total for this complaint. This amount reflects that the impact of its repeated errors caused Mrs F considerable distress and inconvenience, which lasted several weeks and required a lot of extra effort for Mrs F to sort out.

### **Putting things right**

Admiral Insurance (Gibraltar) Limited should:

- Increase its valuation of Mrs F's vehicle to £7,741 – paying Mrs F the difference between this and what it's paid her so far for her car, less the policy excess.
- Add interest at a rate of 8% simple per annum to any additional amount it owes for Mrs F's car, from the date it first made an offer to Mrs F (26 April 2024) until the date of settlement.
- Pay Mrs F a total of £300 compensation for this complaint, for the distress and inconvenience caused.

### **My final decision**

My final decision is that I uphold this complaint and I direct Admiral Insurance (Gibraltar) Limited to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 27 January 2025.

Ifrah Malik  
**Ombudsman**