

The complaint

Mr B is unhappy with the amount Admiral Insurance (Gibraltar) Limited (Admiral) have paid to settle a claim he made on his car insurance policy.

What happened

Mr B's vehicle was unfortunately damaged and so he logged a claim under his motor insurance policy with Admiral. Admiral declared Mr B's vehicle a total loss and said it would settle the claim by paying Mr B the car's market value minus any policy excess. It valued Mr B's vehicle at £12,870.

Mr B didn't agree with the market value and so raised a complaint. Admiral didn't uphold Mr B's complaint. It said it primarily used three market value guides to value vehicles and having reviewed the valuation guides it said the value it reached was fair. Mr B didn't agree and so referred his complaint to this Service.

After Mr B referred his complaint to this Service, Admiral made an offer to resolve his complaint. It said it had consulted three market valuation guides and whilst one of these guides didn't return a valuation, the other two guides returned valuations of £10,420 and £15,500 respectively. It said it was offering to increase the valuation of Mr B's vehicle to £15,500 and pay 8% per year simple interest on this figure from the date of settlement to the date it paid the additional amount due. It also offered £100 compensation for any distress and inconvenience caused to Mr B. Mr B rejected this offer.

Our investigator upheld Mr B's complaint. She said she thought the valuation Admiral had reached wasn't reasonable. She said this Service had consulted a further guide which provided a valuation of £16,971. She said Mr B had provided expert opinions of his vehicle valuation, and evidence of vehicles for sale. She said having taken all of this evidence into consideration she thought Admiral should value Mr B's vehicle at £20,000 and pay 8% per year simple interest on the additional settlement due. She said she thought the £100 compensation Admiral had offered was fair.

Mr B said he felt his vehicle was worth more but accepted the investigator's view. Admiral rejected it. It said it didn't think the opinions Mr B had provided could be recognised as qualified expert opinions given the valuations they reached were significantly higher than the market valuation guides. It also said the adverts Mr B had gathered were for vehicles with a significantly lower mileage than Mr B's vehicle. It said it would agree to increase the valuation to the highest valuation given by the valuation guides (£16,971).

On 29 November 2024 I issued a provisional decision upholding this complaint. In summary I said:

- It wasn't unreasonable for Admiral to use valuation guides to work out the estimated value of a vehicle
- This Service had access to a further guide which produced a valuation figure of £16,971
- Admiral hadn't provided evidence to suggest the highest valuation given by the

- guides (£16,971) was an unreasonable valuation
- I wasn't persuaded the vehicle advertisements Mr B provided demonstrated the highest guide valuation isn't a fair reflection of the value of Mr B's vehicle as the majority of these advertisements had a much lower mileage than Mr B's vehicle
- I wasn't persuaded the third party reports Mr B had provided valuing his vehicle at £22,000 and £24,000 could reasonably be relied on to value Mr B's vehicle as both were very brief and didn't show how these values had been reached
- I intended to require Admiral to increase its valuation of Mr B's vehicle to £16,971 and pay 8% per year simple interest on this amount calculated from the date it paid Mr B its settlement to the date the additional settlement is paid. It should also pay Mr B £100 compensation for distress and inconvenience

Admiral said it didn't have any further evidence to provide but said it had used all of the guides available to it when valuing Mr B's vehicle.

Mr B didn't agree with my provisional decision. He provided a detailed response but in summary he said:

- The valuations of £22,000 and £24,000 were provided by specialists who had the appropriate information about his vehicle to provide an accurate value
- His vehicle had unique attributes which increases its value, including that he was the sole owner from new, and a full maintenance history. Additionally it had optional extras and recent specific upgrades which enhanced its value
- The guides used by Admiral had significantly undervalued his vehicle and he would not be able to replace his vehicle for the amount offered

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've considered the responses to my provisional decision but see no reason to change the decision I reached previously.

As explained in my provisional decision, when the valuation guides produce a range of values, we'd compare the insurer's valuation against the highest guide value unless there is something to suggest this isn't a fair reflection of the amount similar cars sell for on the open market. I'm not persuaded the advertisements previously provided sufficiently demonstrate the highest guide valuation isn't a reasonable one.

I'm also not persuaded the two reports provided by Mr B can reasonably be relied on to value Mr B's vehicle. As explained previously the reports provided are very brief and don't give any information about how the valuations have been reached. I haven't seen anything further that persuades me these reports are more reliable than the market guide valuations.

Mr B has said his vehicle had unique attributes making it more desirable such as having one owner from new and having a full maintenance history. I think Mr B maintaining his vehicle kept his vehicle in retail condition rather than increasing its value.

Mr B has said his vehicle included optional extras which increase the value of his vehicle. He said his vehicle has a rare three stage paintwork and matching hard top roof, and air conditioning. He's also said it has specific desirable parts such as Nitron suspension and an aluminium radiator.

This Service has obtained a bespoke valuation using a motor trade valuation guide,

including the optional extras Mr B's vehicle had. This valuation guide showed the optional extras no longer hold any additional value. Whilst I acknowledge major improvements to a vehicle, such as a new engine, can increase the value of a vehicle, I'm not persuaded based on the evidence provided the parts Mr B has added to his vehicle significantly increase its value. The evidence provided appears to be anecdotal rather than based on evidence of vehicles sold.

Overall I'm not persuaded the evidence provided by Mr B mean the valuation guides isn't a fair way to value Mr B's vehicle. I think Admiral should value Mr B's vehicle at the highest valuation guide of £16,971.

Mr B was caused distress and inconvenience due to the unreasonable valuation Admiral placed on his vehicle. He has had to spend unnecessary time corresponding with Admiral about the value it placed on his vehicle and still didn't receive a fair valuation. I think the £100 compensation Admiral have offered is reasonable to acknowledge the impact this caused Mr B.

My final decision

For the reasons I've outlined above I uphold Mr B's complaint about Admiral Insurance (Gibraltar) Limited. I require it to:

- Pay Mr B a further settlement of £4,101
- *Pay 8% per year simple interest on this amount calculated from the date it paid the settlement to the date it pays the additional amount due
- Pay Mr B £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 February 2025.

*If Admiral Insurance (Gibraltar) Limited considers its required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr B how much it's taken off. It should also give Mr B a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Andrew Clarke
Ombudsman