

The complaint

Mr D complains about Admiral Insurance (Gibraltar) Limited and the amount they paid him following a theft claim under his motor insurance policy.

What happened

Mr D's contacted Admiral to make a claim under his motor insurance policy when his car was unfortunately stolen in June 2023. Admiral sought to determine the market value of Mr D's car and said it was worth £2,000, based on their engineer's assessment. But Mr D thought this was unfair. He said Admiral had told him they would treat his car as being in "immaculate" condition when considering how much it was worth, but their engineer's valuation was based on his car being in "fair" condition instead. He also said Admiral had asked him to send in adverts of similar vehicles to dispute their engineer's valuation, but they hadn't altered the settlement amount.

Mr D was also unhappy that Admiral had caused delays in the claim process and hadn't notified the DVLA about the vehicle being stolen which meant he received a penalty notice for not taxing the vehicle. Mr D raised a complaint with Admiral – but they maintained the settlement was a fair market value. They said they had asked Mr D to provide adverts to demonstrate a higher valuation was appropriate, but their engineer had reviewed these and it didn't change the valuation. But they did offer £25 compensation and later increased this to a total of £175 after acknowledging that they had caused some delays in the settlement process.

Mr D remained unhappy with Admiral's response, so he brought the complaint to this Service. An Investigator looked into things for Mr D but didn't think the complaint should be upheld. She said the value Admiral had placed on the vehicle was fair, and the adverts Mr D had provided in response weren't for comparable cars. She also thought the compensation Admiral offered was fair and reasonable in the circumstances.

Mr D didn't agree with the Investigator's findings. He said Admiral had made an undertaking to him when they told him their engineer would consider the car as being in 'immaculate' condition and they should be bound to honour this commitment. He also said the adverts of similar cars he had researched should be used to value his car given Admiral's confirmation they would value it as being in 'immaculate' condition.

Mr D asked for an Ombudsman to consider the complaint, so the matter has 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.

Having done so, I think Admiral have provided a fair market value for the vehicle, so I'm not going to ask them to do anything more. I'll explain why.

It isn't the role of this Service to come to an exact valuation of a consumer's car. Instead, we consider the approach the insurer has adopted to decide whether the valuation they have produced is fair in all the circumstances and in line with the policy's terms and conditions. In the event of a total loss, the policy terms require Admiral to compensate him for the market value of his car. The policy defines 'Market Value' as:

"The cost of replacing your car with another of the same make and model, and of a similar age and condition at the time of the accident or loss."

I acknowledge Mr D has said he relied on Admiral's statement that they would assess his car on the basis it was in 'immaculate' condition. But I should highlight that this was done prior to the car actually being inspected. While I can sympathise that Mr D would be disappointed and may have experienced a loss of expectation, I don't think it would be fair for Admiral to discount the findings of an actual physical inspection of the car.

And while I don't doubt what Mr D has said about his car being very well taken care of – I also have to highlight that the policy was not on an agreed value basis. Instead, the policy terms require Admiral to settle a total loss claim with a value that would allow Mr D to replace his car with another of the same make and model, and of a similar age and condition. And a car's condition may well be different in practice to the expectations of a particular customer. And this means if I required Admiral to value the car as being in a better condition than it actually was – this would result in betterment for Mr D.

I've also considered what Mr D said about his car only being inspected after a period of time following its theft; but I've not seen any evidence which demonstrates the car's condition prior to the theft or that it had been degraded. So, I think it's fair to rely on the condition noted by the engineer's report.

In assessing what we consider to be a fair value, this Service would generally expect insurers to review relevant guides to motor valuations – which is also our starting point for most valuation complaints. However, as the Investigator has highlighted, Mr D's car is not included in the range of guides normally used within the motor insurance industry for valuing cars due to its age. This means Admiral's valuation of Mr D's car of £2,000 was based on their appointed engineer's inspection of the vehicle, which included reference to comparable vehicles on the open market. In response, Mr D provided a range of adverts for vehicles he said were comparable to his own.

So, in order to conclude that Admiral's valuation of Mr D's vehicle was unfair, I'd need to be persuaded the examples Mr D provided showed a comparable vehicle at a higher price than the settlement Admiral made.

I can see the range of adverts Mr D provided returned valuations between £4,500 and £12,575. I note however that all of the examples Mr D provided wouldn't be directly comparable to his own car. I say this because while the adverts provided are for cars of around the same age, the vast majority are manual transmission vehicles with significantly lower mileage than Mr D's car, which had around 153,000 miles recorded. The closest example Mr D provided was two years newer than his own vehicle and had 45,000 fewer miles recorded.

Having considered this complaint very carefully, I find that Admiral's valuation evidence is persuasive because it shows that cars of the same age, and with similar mileage, were available to buy for the amount Admiral was settling Mr D's claim for. It follows that I find Admiral's proposed settlement represents a fair market valuation of Mr D's car. And I'm ultimately satisfied Admiral has shown Mr D could replace his car with a similar one for the

amount offered – which is what the policy requires given it was not made on an agreed value basis.

In relation to Mr D's concerns over delays to the claim process, I can see Admiral have acknowledged that they contributed to some of the delays in the claim process, which included them asking for the same information from Mr D on multiple occasions. Admiral ultimately made an offer of compensation of £175 in recognition of this.

Having thought about this offer and considering it against the wider circumstances of the complaint, I'm ultimately satisfied this sum appropriately reflects the impact Admiral's actions had on Mr D; so I don't think they need to increase this.

Finally, in respect of Mr D's concerns over a refund of his vehicle tax, I can't see that this was a complaint point that Admiral responded to in their final response to his complaint. Admiral has said this wasn't included as a complaint point because they don't issue a refund of vehicle tax and they had written to Mr D as part of their total loss settlement letter and explained the process for applying for a refund of tax from the DVLA. Should Mr D remain unhappy that he has been caused a loss, he would need to raise this with Admiral as part of a separate complaint that they can then respond to.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 19 March 2025.

Stephen Howard
Ombudsman