

The complaint

Mr J complains that Admiral Insurance (Gibraltar) Limited haven't given him a fair settlement offer for his car after it was deemed a total loss, and they provided poor service.

What happened

In August 2024 Mr J made a claim on his car insurance policy following an accident.

Admiral valued the car at £2000 before deduction of the excess. They were unable to obtain a settlement figure through the valuation guides due to the age of the vehicle, so Admiral's independent assessor gave a valuation based on available adverts for similar vehicles at the time.

Mr J was unhappy with the valuation and the adverts used as the vehicles were a different specification to his, having a smaller engine size – 1.9L rather than 2.8L. Mr J believed that an accurate settlement would be £4697.

Mr J was also unhappy with the claims process, in which he says he had to chase for updates. Admiral upheld this aspect of his complaint and awarded £150 compensation, but they didn't alter the valuation, so Mr J brought his complaint to us.

One of our investigators has looked into Mr J's complaint and she thought that the valuation figure offered by Admiral was too low, and recommended it be increased to £2486. She thought the compensation of £150 was fair.

Mr J agreed with the increased valuation but Admiral didn't, and so the case has come to me to review.

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'm upholding Mr J's complaint and I will explain why.

Valuation

In the event of Mr J's car being written off, his policy provided for cover up to the "market value" of the car. Market value is defined in the policy as:

"The cost of replacing your vehicle; with one of a similar make, model, year, mileage and condition based on market prices 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."

So, I've considered whether the £2000 settlement offered is a fair "market value" taking into account the policy definition, and our approach to car valuation complaints.

Where trade valuation guides are referenced, such as in this case, we would expect an insurer to use all of the available ones - CAP, Glasses, Autotrader and Percayso.

I can see that Admiral checked CAP and Glasses and found that the car was too old to obtain a valuation, but they didn't check Autotrader or Percayso. Having not been able to get a valuation from CAP and Glasses, Admiral turned to adverts for similar vehicles to determine a value.

I have been provided with the adverts used by Admiral for the initial valuation, but these adverts were only for 1.9L engines, not the 2.8L engine that Mr J's car had. And so I don't consider that this is evidence of comparable vehicles, and so doesn't support the valuation of £2000.

As a service, we usually find the valuation guides the most persuasive piece of evidence. This is because valuation guides provide us with data of the actual selling prices of vehicles and these are used throughout the motor industry.

Although CAP, Glass and Autotrader were all unable to give us any valuation, Percayso was able to provide a valuation of £2,486. This valuation is based on sale data for similar vehicles to Mr J's. Our investigator has said that in her view, this is the most accurate valuation we have available, and so Admiral should increase their settlement to £2486. Admiral disagrees, saying that the sale data used in the Percayso valuation doesn't support this as the highest two sales for 1998 models were £2500 and £2200, both of which had lower mileage than Mr J's car.

Whilst I can see the valuations Admiral are referring to, they are only two of nineteen sales that Percayso's data draws on to work out a fair price. There was also a 1997 model (which is one year older) with a similar mileage which sold for £3295 and 1999 and 2000 models with high mileage that sold for over £3000. Percayso's valuation is calculated by assessing all of that sales data for the 19 cars and working out what the value would be, and so I consider that this valuation produced by Percayso is more reliable than the evidence provided by Admiral which is for the same car but with the wrong engine size.

Service

In terms of the service provided, Admiral have accepted that on this occasion, their service fell below the level they'd expect, and they offered £150 compensation for the delays and poor communication. The incident happened on 12 August 2024, and Mr J was finally notified of the assessors valuation on 27 August, but the evidence was sent three days later. Mr J was chasing Admiral during this time. Having reviewed the claim notes and Mr J's evidence, I'm satisfied that Admiral's offer of £150 is fair and reasonable for the inconvenience of the slight delays and having to make calls to chase Admiral.

Putting things right

In order to put things right Admiral should:

- Increase their valuation from £2000 to £2486 and pay this settlement minus any excess
- Pay 8% simple interest per annum on the difference in settlement amount, from the date the initial valuation payment was paid on 24 October 2024 until settlement is made
- I think the offer of £150 compensation is fair for the distress and inconvenience caused.

My final decision

My decision is that I'm upholding Mr J's complaint about Admiral Insurance (Gibraltar) Limited and directing them to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 31 March 2025.

Joanne Ward
Ombudsman