

## **The complaint**

Mr C and Mrs C are unhappy with how Admiral Insurance (Gibraltar) Limited (Admiral) settled a claim made under their motor insurance policy.

Any references to Admiral include its agents. Mrs C is the policyholder but brought the complaint with Mr C, and he's primarily been in contact with us. So for ease I'll refer to them both in this decision.

## **What happened**

In August 2024 Mrs C was involved in an accident and made a claim. Admiral concluded the car was a total loss and decided to pay the market value of the car which it said was £15,403.50, less the £600 policy excess.

Unhappy with this valuation, Mr C and Mrs C complained. They said this was significantly lower than the amount they'd paid for the car, and didn't reflect the amounts they'd spent maintaining it and adding value, such as the addition of a retractable towbar. Admiral responded to the complaint, setting out how it reached the valuation it did, and said it considered the amount offered was fair. However, Admiral accepted there had been some service issues and offered £150 compensation for the distress and inconvenience experienced.

Mr C and Mrs C didn't think Admiral's valuation was acceptable so referred their complaint to the Financial Ombudsman Service. It was considered by one of our investigators who said Admiral needed to increase the valuation in line with the highest of the trade guides and pay simple interest at 8% on the difference.

Neither side agreed. Admiral said it had considered three trade valuation guides and adverts, which led to the offer of an average of the two highest figures. Mr C said they'd been unable to buy a replacement car for the amount Admiral offered, spending £24,000 on what they said was a like for like replacement. He said again he considered the amount spent on preventative maintenance should be considered and that it seemed very unfair they were left out of pocket because of an accident that wasn't their fault.

## **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 started by considering the relevant policy term, which sets out how Admiral needs to settle this claim. This says:

### ***"Market value***

*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 recognised motor trade guides."*

Admiral said it obtained three valuations and offered £15,403.50, an amount that was the average of three trade valuations. We ran our own valuations, and these came out at £14,850, £13,095, £15,483 and £15,957 from Glasses, Cap, Percayso and Autotrader respectively.

Admiral supported its valuation by supplying a list of adverts. These were for vehicles the same age, make, and model as Mr C and Mrs C's car. But the mileage varied as did the prices, which ranged from £11,000 to £17,500. In response to our investigators' conclusions, Admiral sought to rely on three specific adverts from the list previously provided. These adverts were for cars which had similar mileages to Mr C and Mrs C's car (between 78,000 and 84,000) and cost between £14,495 and £15,795. Admiral said on this basis it was clear the market value it placed on Mr C and Mrs C's car was sufficient for them to purchase a similar vehicle.

I've reviewed both the full list of adverts Admiral provided and those shortlisted in response to the investigator's conclusions. And having done so, it's clear the adverts show a range of cars available at varying prices. There are adverts which support the valuation Admiral provided, however there are others which show comparable vehicles on sale for a higher amount than Admiral offered. The closest comparable car listed in the adverts provided by Admiral was the one with the mileage at 84,000 (so just under 1,000 miles less than Mr C and Mrs C's car) for sale at £15,795, so more than the offer of £15,403.50 made by Admiral.

In these circumstances, where the adverts demonstrate a replacement vehicle could be purchased within such a wide financial range, I need to decide what of the information I've been provided with I find most persuasive. On balance, because the adverts present replacement vehicles available within such a wide financial range, I don't consider them to be as reliable as the valuations we obtained from the four trade guides outlined above. I'm persuaded a fair outcome here would be for Admiral to pay the highest of the four valuations obtained from the trade guides, and should settle the claim by paying Mr C and Mrs C a total of £15,957, less the policy excess.

I appreciate Mr C said there were steps they had taken to maintain the value of the car, such as adding a towbar and undertaking several different services (such as on the gearbox) because they weren't intending to change the car in the foreseeable future. And whilst I understand Mr C's frustration at what he considers to be out of pocket expenses, what I haven't seen is evidence these items materially impacted the market value of the car – which is what Admiral is required to pay under the policy. So, with that in mind, I'm not going to require Admiral to increase the value of the car beyond the amount I've set out above.

Admiral accepts there were some service issues with its handling of the claim. As it's accepted there were issues with Admiral's communication I've considered if the level of compensation is appropriate. I'm satisfied that it is in the circumstances. Being involved in an accident can be distressing and inconvenient under any circumstances, but there appears to have been avoidable distress and inconvenience caused by the lack of contact from Admiral. However, I think the £150 previously offered by Admiral fairly compensated Mr C and Mrs C given all they've said about the impact of the accident, and Admiral's handling of the claim had on them.

### **Putting things right**

To put things right, Admiral Insurance (Gibraltar) Limited should pay Mrs C the balance between any payment already made and the highest valuation (£15,957). Simple interest at 8% per annum\* should also be paid from the date the first payment was made until the date of settlement.

\* If Admiral Insurance (Gibraltar) Limited considers that it's required by HM Revenue & Customs to deduct income tax from any interest paid, it should tell Mrs C how much it's taken off. If requested, Admiral Insurance (Gibraltar) Limited should also provide Mrs C with a certificate showing the amount deducted, so she can reclaim it from HM Revenue & Customs if appropriate.

### **My final decision**

I uphold this complaint and order Admiral Insurance (Gibraltar) Limited to do what I've set out above in the "Putting things right" section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 17 July 2025.

Emma Hawkins

**Ombudsman**