

The complaint

Mr S complains that Admiral Insurance (Gibraltar) Limited mishandled a claim on his motor insurance policy.

What happened

The subject matter of the insurance, the claim and the complaint is a car, first registered in 2012. For the year from 3 August 2024, Mr S had the car insured on a comprehensive policy with Admiral. The policy schedule said that he had nine years' no claims bonus discount ("NCB").

Unfortunately, Mr S reported that on 15 August 2024, a third party had accidentally damaged the car.

Admiral said the car was a total loss and its pre-accident value had been £5,191.67. Mr S decided to keep the damaged car. Admiral deducted a salvage fee of £1,246.00 and an excess of £425.00. Admiral paid Mr S the balance of £3,520.67 in late August 2024.

Mr S complained to Admiral about a list of 12 points including the valuation.

By a final response dated 17 October 2024, Admiral didn't accept the complaint about valuation but it accepted eight of the other points and said it was sending Mr S a bank transfer for £300.00 compensation for distress and inconvenience.

Mr S brought his complaint to us without delay. He asked us to direct Admiral to pay a higher valuation and a higher figure for distress and inconvenience.

Our investigator didn't recommend that the complaint should be upheld. She thought that the compensation was fair and reasonable in the circumstances of Mr S's complaint.

Mr S disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says the following:

*"I don't agree with your View.
Especially that the valuation is fair.
If that was the case then they should have paid me £5,321.
I would like to escalate my complaint to an ombudsman.
All the necessary evidence has already been provided"*

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.

The accident and the need to make a claim were, in my view, bound to cause Mr S some distress and inconvenience. However, Admiral was obliged to deal with the claim promptly and fairly.

Mr S was the policyholder. The policy also covered his mother as a named driver. He asked Admiral not to contact her. However Admiral contacted her. That is one of the points that Admiral accepted in its final response and included in its offer of £300.00.

The policy didn't provide a courtesy car in the event of a total loss of Mr S's car. Admiral gave Mr S conflicting information about that. That is another of the points that Admiral accepted in its final response and included in its offer of £300.00.

Admiral sent Mr S an email dated 16 August 2024 about the next steps on the total loss. He responded to that email. Admiral later apologised for not phoning Mr S earlier. That is another of the points that Admiral accepted in its final response and included in its offer of £300.00.

All online portals have limits as to their functions. I don't consider that Admiral did anything wrong by not including an option for Mr S to say that he wanted to keep the damaged car.

Mr S told Admiral he would keep the damaged car. Despite that, Admiral or its salvage agent sent Mr S messages about collecting the damaged car.

Admiral's policy terms included the following:

*"If your vehicle is a total loss we can also:
Stop cover immediately and cancel your policy"*

Nevertheless, I would expect an insurer to give the policyholder an opportunity to get a replacement vehicle and put it to on the policy.

However, if the policyholder decided to keep the damaged car following a total loss, I wouldn't expect the insurer to cover the damaged car on the policy unless the policyholder had completed repairs and obtained a new MOT certificate. I consider that Admiral had done enough to make that clear to Mr S during the call on 16 August 2024. So I don't consider that Admiral treated Mr S unfairly by cancelling or lapsing the policy.

Admiral's policy required it to compensate Mr S for the market value of the car. The policy defines market value 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."

We expect insurers to value used vehicles by reference to the retail figures in certain trade guides.

For a car like Mr S's, Admiral found figures as follows:

CAP	£5,090.00
Glass's	£5,200.00
Auto Trader	£5,285.00

Our investigator found a further figure as follows:

Percayso £5,321.00

Admiral's figure of £5,191.67 was only £129.33 lower than the highest trade guide figure.

I've considered the additional evidence from Mr S about the maintenance of the car. However, such maintenance maintains the value of the car rather than enhancing it.

Overall I'm satisfied that Admiral's valuation was fair. So I don't find it fair and reasonable to direct Admiral to increase its valuation.

On about 21 August 2024, Admiral's engineer decided that the damaged car was in salvage category S. It took Admiral about a week until 28 August 2024 to give Mr S that information. That is another of the points that Admiral accepted in its final response and included in its offer of £300.00.

From Admiral's evidence, I'm satisfied that its salvage agent would've paid it £1,246.00 if Mr S hadn't kept the damaged car. So I find that Admiral's deduction for salvage was fair.

I'm also satisfied that the policy schedule said that any claim for damage (except a glass claim) was subject to an excess of £425.00. So I find that Admiral's deduction of excess was fair.

Admiral sent Mr S a cheque without giving him the option of a bank transfer. That is another of the points that Admiral accepted in its final response and included in its offer of £300.00. The cheque caused some delay and inconvenience in paying the cheque in.

There was a period of about two months between the accident and the final response. Claims against third parties often remain open (and affecting NCB and renewal premium) for much longer than that. However, Admiral could've acted more quickly to contact and chase the third party or their insurer. That is another of the points that Admiral accepted in its final response and included in its offer of £300.00.

Admiral could've updated Mr S more proactively. That is another of the points that Admiral accepted in its final response and included in its offer of £300.00.

Admiral told Mr S the third party driver had admitted liability. However, the shortcomings in Admiral's service led Mr S to lack trust in what Admiral said. That is another of the points that Admiral accepted in its final response and included in its offer of £300.00. The final response reiterated that the third party had accepted liability and the claim wouldn't affect Mr S's NCB (although it might still affect his premium).

I've thought about the shortcomings I've identified in Admiral's service to Mr S, and their impact on him at an already difficult time for him. That included some frustration and the need to chase Admiral for information.

Overall, I'm satisfied that Admiral's offer of £300.00 was fair and reasonable for the extra disappointment, distress and inconvenience. So I don't find it fair and reasonable to direct Admiral to increase its compensation.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Admiral Insurance (Gibraltar) Limited to do any more in response to this complaint.

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

Christopher Gilbert

Ombudsman