

The complaint

Mr W complains about the amount offered to him by Admiral Insurance (Gibraltar) Limited ("Admiral") under his van insurance policy after his van was written off.

What happened

Mr W had a motor insurance policy with Admiral covering his van.

He was involved in a collision in June 2024 during which his van was damaged. He contacted Admiral and made a claim.

Admiral assessed his van as being beyond economic repair. It said it would declare it a write-off. Admiral said it would pay £12,393.60 for the van.

Mr W wasn't happy with the valuation and complained. Admiral increased its valuation to £14,039.

Mr W remained unhappy and brought his complaint to this service. Our investigator looked into it and thought it would be upheld. She thought an appropriate valuation would be £20,388.80, plus interest at 8% simple on the increased amount Admiral would need to pay.

Mr W agreed with the view, but Admiral didn't. It said its valuation was in line with this service's approach and the market value suggested by our investigator should be discounted as it was significantly higher than the other values we found.

Because Admiral didn't agree, this complaint has been passed to me to make a final decision.

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 W's complaint and I'll explain why.

Admiral's policy wording says it will settle Mr W's claim by using his van's market value, which is defined 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."

The approach of this service is to use trade guides to arrive at a valuation for the car. I've looked into four of these trade guides and I can see the following values:

Trade Guide A £12,780

Trade Guide B £12,367.20

Trade Guide C £13,687.20

Trade Guide D £20,338.80

It's the approach of this service that the highest value from the trade guides is used as the market value for Mr W's claim. If either party doesn't agree with that valuation, then it needs to provide evidence why.

I've mentioned above that Mr W agreed with the valuation. He also provided this service with adverts for a similar replacement vehicle. All of Mr W's supplied adverts showed evidence that his van would be valued in excess of Admiral's valuation. And several of them showed this by a significant amount.

I'll mention here that Mr W's van was a type commonly used for conversion to carry more passengers or as a leisure-type vehicle.

Admiral has said it believes the value is too high, but I've not seen evidence from it to back up its belief. It said its engineer used adverts to arrive at its valuation of £14,039, but the evidence doesn't show the basis of those adverts beyond a simple range of prices. So I'm not able to say whether they were close to the actual specification and use of Mr W's van.

I would also comment that in many situations, this service doesn't rely on adverts to show what a vehicle's valuation needs to be. But in this case, the trade guide evidence is backed up by the examples Mr W sent in.

If Admiral doesn't agree with those, it needs to show evidence why. And from the file I have, it hasn't done this. What it has said is that it doesn't agree with the use of the particular trade guide in this situation. And it's said it regards this figure as something of an outlier, as it's higher than the other trade values. But I don't think Admiral has shown evidence of why Mr W's van shouldn't be valued at this figure.

Taking everything into account, I think Admiral needs to settle his claim at a market value of £20,338.80 subject to the remaining policy terms and conditions.

It's my understanding that Mr W has already been paid an amount to partially settle his claim, so I also think Admiral needs to add interest at 8% simple on the difference between that settlement figure and this one, taken from when that amount was paid to the date this payment is made.

My final decision

My final decision is that I uphold this complaint. I direct Admiral Insurance (Gibraltar) Limited to:

- Settle Mr W's claim for a market value of £20,338.30 subject to the remaining terms and conditions of the policy.
- Interest at 8% simple should be added to the increased amount Admiral needs to pay, from the date it made the earlier payment to the date this payment is made.

If Admiral considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr W how much it's taken off. It should also give Mr W a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Admiral must pay the amount within 28 days of the date on which we tell it Mr W accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 15 April 2025.

Richard Sowden
Ombudsman