

The complaint

Mrs P has complained about the amount Admiral Insurance (Gibraltar) Limited has paid in settlement of her claim under her car insurance policy.

What happened

The details of this complaint are well known to both parties, so I will not repeat them again here. The facts are not in dispute so I will focus on giving the reasons for my 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.

Having done so, I've decided to uphold it and make Admiral settle Mrs P's claim by using a valuation for her car of £5,995 for the following reasons:

- Mrs P's policy requires Admiral to settle her claim by paying the cost of replacing her car with one of a similar, make, model, mileage and condition.
- I place most weight on the valuation guides. And I think the safest way to ensure the valuation used to settle a total loss claim is correct is to use the highest value produced by the guides unless the parties to the complaint provide evidence to support a figure higher or lower than this.
- Only two of the guides provide a reliable valuation for Mrs P's vehicle. And the highest of these is £6,550. The other guide gives a value of £5,380.
- However, Mrs P paid £5,995 for her car just before it was damaged. And I think this is a good indication of its likely replacement cost in this particular case, as it is roughly in the middle of the two guide valuations.
- Admiral has provided one advert for a slightly younger similar vehicle with a slightly higher mileage at £5,999, which I think also supports my view that what Mrs P paid for her car is likely to be the replacement cost.
- Admiral has already paid Mrs P the £4,600 it offered in settlement of her claim based on a valuation of £5,000 after deducting the policy excess. So it will need to pay her a further £995.
- I also consider Admiral should pay interest on the extra amount due to Mrs P to compensate her for being without funds she should have had.
- I agree with our investigator that Admiral took too long to settle Mrs P's claim. This was around three weeks. And this was slower than it would have been if it hadn't made an administration error. And I think this and the fact it paid less than it should have done when it did so caused Mrs P distress and inconvenience. I think this warrants a compensation payment of £100.

Putting things right

For the reasons set out above, I've decided to uphold Mrs P's complaint and require Admiral to do the following:

- Pay Mrs P a further £995 in settlement of her claim.
- Pay interest on this amount at 8% per annum simple from the date it made its first settlement offer on Mrs P's claim to the date of payment.*
- Pay Mrs P £100 in compensation for distress and inconvenience.

* Admiral must tell Mrs P if it has made a deduction for income tax. And, if it has, how much it's taken off. It must also provide a tax deduction certificate for Mrs P if asked to do so. This will allow Mrs P to reclaim the tax from His Majesty's Revenue & Customs (HMRC) if appropriate.

My final decision

I uphold Mrs P's 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 P to accept or reject my decision before 25 April 2025.

Robert Short
Ombudsman