

The complaint

Mr S complains that Admiral Insurance (Gibraltar) Limited (“Admiral”) deducted an unfair salvage value following an accident and provided him with a poor service.

Any reference to Admiral in this decision includes its appointed agents and representatives.

What happened

In October 2023, Mr S contacted his insurer, Admiral, to make a claim under his policy following a road traffic accident.

Admiral arranged for Mr S’s vehicle to be taken to a salvage agent. Mr S says it did so without his knowledge or permission. In the meantime, Mr S discussed the next steps with Admiral and expressed an interest in retaining the vehicle. It was explained to Mr S that the salvage value would need to be paid if he wanted to buy the vehicle back. Mr S understood this, but when Admiral told Mr S the salvage value was £7,639.80 he thought Admiral was charging too much.

Mr S was also unhappy with the service he received from the salvage agent. He said that when the car was returned it was missing a bumper and other damage had been sustained which hadn’t been there before, such as scratches to the bodywork. So he made a complaint.

In its response to his complaint, the salvage agent on behalf of Admiral said the vehicle had been collected in the same state as when it had been brought to it. It also said the salvage value was based on a matrix that was supplied by Admiral, so there would be no movement on the price.

In a further final response letter, Admiral said it acknowledged Mr S had been caused inconvenience during the claims process, especially when he didn’t know where his car was, and it offered him £50 compensation. Mr S didn’t accept this, so he referred his complaint to this service.

Our Investigator considered the complaint, and ultimately concluded that the salvage valuation was fair based on the evidence provided. The Investigator also said Admiral should pay Mr S a total of £200 compensation to reflect the inconvenience caused to him. Mr S didn’t agree with our Investigator’s assessment, and asked for an Ombudsman to review everything afresh, so the complaint has now come to me to decide.

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.

As this is an informal service, I’m not going to respond here to every point raised or comment on every piece of evidence Mr S and Admiral have provided. Instead, I’ve focused on those I consider to be key or central to the issue. But I would like to reassure both parties

that I have considered everything submitted. And having done so, I'm not upholding this complaint. I'll explain why.

In this decision I've not considered the issue around Mr S paying a private agent to move his vehicle from the salvage agent, as I can't see that's been raised with Admiral directly. Mr S is free to raise this as a new complaint with Admiral if he wishes.

I have however considered the issues Mr S has raised with Admiral, including the damage to his car, the movement of his vehicle to the salvage agent, and the salvage valuation. I've seen the evidence of the damage which Mr S has sent us. He's provided a video which appears to show some scratches and markings on the boot, as well as photos of the bonnet and missing bumper. But looking at the photos which the salvage agent took when the car was received by them, I'm not persuaded that Admiral or the salvage agent caused any additional damage to Mr S's vehicle in the form of scratches or other damage to the bodywork. If they did cause further damage to the paintwork, then I'm afraid this isn't clear from the evidence both parties have provided, so I'm not upholding this part of the complaint.

Admiral initially said the bumper was missing when the car was picked up. The final response letter from the salvage agent shows photos of the missing bumper and confirms that the vehicle was in the same state as when collected from the garage. But there's also evidence to suggest the bumper was removed so the vehicle could be assessed. And that it was later disposed of, because it was believed that the bumper was beyond repair. I don't think Admiral handled this fairly. Mr S had made it clear he wanted to buy back his vehicle so I think Admiral should've retained and refitted the bumper as best it could, once it became aware that Mr S wanted to buy the salvage. I'm satisfied that the removal and disposal of the bumper caused Mr S additional frustration and confusion, because he had to go to the added effort of sourcing a bumper for his car, when he was convinced the original bumper could've been repaired.

I also think Mr S was caused inconvenience and frustration by not knowing that his vehicle would be taken to the salvage agent at the outset of the claim. I can't see anything in the claim notes to suggest he was made aware of this before it happened. So I've also kept this in mind when considering the level of compensation that should be paid in this case.

In terms of the salvage value, Admiral has provided this service with a table it uses to calculate this. The first table it provided to this service was incorrect and I'm satisfied that it wasn't applicable to Mr S's vehicle at the time of loss. At the time of loss, the salvage was valued at £7,639.80, based on the table I've now seen which contains the correct information. And I'm satisfied the figures now provided are in line with Admiral's agreement with the salvage agent. I appreciate Mr S still thinks the charge is too high, but I'm afraid I haven't seen enough evidence to persuade me that it's unreasonable.

Overall, given the difficulties that Mr S experienced with his claim, including not knowing where his car was taken, and having to deal with the removal and disposal of his bumper, I consider £200 compensation to be fair and reasonable. This amount reflects the fact that mistakes were made by Admiral and its agents which impacted Mr S by causing him more than the usual levels of inconvenience one might expect from a claim of this nature. Mr S had to go to additional effort to sort things out, such as making numerous phone calls. So I think a total of £200 compensation in this case is appropriate in the circumstances.

Putting things right

Admiral Insurance (Gibraltar) Limited should pay Mr S £200 for distress and inconvenience.

My final decision

My final decision is that I uphold this complaint and I direct Admiral Insurance (Gibraltar) Limited to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 April 2025.

Ifrah Malik
Ombudsman