DRN-5432298

The complaint

Miss E is unhappy with how Admiral Insurance (Gibraltar) Limited (Admiral) has said it will settle a claim made under her motor insurance policy.

Any references to Admiral include its agents. Miss E is represented by Mr G.

What happened

Miss E's car was involved in an accident and declared a total loss. Admiral made an offer of £6,851 which it said represented the market value of the car. However, Mr G said the offer wasn't sufficient to enable Miss E to buy a car which the same options to ensure it met her needs.

Mr G complained to Admiral on Miss E's behalf. Admiral said it considered its offer to be fair, so Mr G referred Miss E's complaint to the Financial Ombudsman Service. It was considered by one of our investigators who said Admiral ought to increase the valuation to the highest of the four trade valuations and pay interest on the difference.

Admiral accepted this recommendation, but Mr G didn't. He said Miss E would need £9,500 to buy a similar model of car. He highlighted electrically operating sliding rear doors which were essential given Miss E's health conditions. Mr G supported their position by supplying a number of adverts which he said supported his view the offer from Admiral wasn't sufficient. Our investigator reviewed these but wasn't minded to change the conclusion she'd reached, so this matter has been passed 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.

I've considered 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 obtained three valuations and offered £6,851, the average of the guides. We ran our own valuations, and these came at £6,860, £7,095, £7,168 and £6,598 from Glasses, Cap, Percayso and Autotrader respectively. The Autotrader valuation from Admiral noted there weren't many vehicles in the competitor market when the valuation was carried out.

Mr G provided five adverts which he said supported his position the offer from Admiral wasn't sufficient to replace Miss E's car. Three of the cars Mr G shared information of ranged in price from £8,990 to £13,780 and had mileages which ranged from 37,800 – 96,500 miles. Whereas Miss E’s car had 112,000 miles recorded at the time of the accident. Two other adverts were provided by Mr G. One had a considerably higher mileage but lower price and the one priced in a similar range as the offer from Admiral had a much lower mileage than Miss E’s car. So, I can’t truly say any of these cars were like for like.

On balance, the adverts present replacement vehicles available within such a wide financial range, but none are genuine comparators with the age and mileage of Miss E’s car – and these are key factors which go into determining a valuation. However, because the adverts show such a range between the mileage and price, I don’t consider them to be as reliable as the valuations we obtained from the four trade guides outlined above.

I appreciate what Mr G says about the difficulties they’ve experienced in finding a car with some of the things they needed considering Miss E’s health – such as the importance of the sliding doors. And whilst I’m sorry to read of the difficulties they’ve been having what I haven’t seen is any evidence to show these features or specifications mean the valuation ought to be increased further. I’m persuaded in this instance the fairest way to determine the correct valuation is to rely on the trade guides. So, I’m going to require Admiral to pay the highest of these guides.

Putting things right

To put things right, Admiral Insurance (Gibraltar) Limited should pay Miss E the balance between any payment already made and the highest valuation (£7,168). 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 Miss E how much it’s taken off. If requested, Admiral Insurance (Gibraltar) Limited should also provide Miss E with a certificate showing the amount deducted, so she can reclaim it from HM Revenue & Customs if appropriate.

My final decision

I uphold Miss E’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 Miss E to accept or reject my decision before 20 August 2025.
Emma Hawkins
Ombudsman