

The complaint

Mrs M complains that Admiral Insurance (Gibraltar) Limited did not give her a fair value for her car when it settled a claim on her motor insurance policy. She told us that to buy a comparable replacement car she's had to take out a loan to cover the shortfall.

What happened

Mrs M's car was damaged in an accident. She made a claim on her policy, and Admiral declared the vehicle a total loss. It said, after consulting an Independent Assessor, that the pre accident value of Mrs M's car, before making deductions for her excess, was £7,030. Mrs M thought that was unfair. She said she'd need £9,000 to buy a replacement as her car was a "*top of the range*" model. She thought Admiral had based its valuation on a lower specification. Admiral reviewed its position but decided not to increase its offer. Mrs M complained but Admiral didn't uphold it, and she referred it to the Financial Ombudsman Service.

One of our Investigators considered Mrs M's complaint, but they didn't think Admiral needed to do more. He obtained valuations from four trade guides which ranged from £5,895 to £7,030. And he concluded that Admiral's offer was in line with what we'd expect.

Mrs M didn't agree. She submitted several adverts for similar cars and made the point that her loss event had occurred prior to the introduction of a new registration which had had the effect of lowering the advertised prices by around £1,000. Of these adverts, one related to a car of the same year and model as her car was. Another referred to a car of the same model but was a year older. Both had a similar mileage to hers (within 5,000 miles). The advertised prices were £7,989 and £7,982 respectively. The Investigator didn't change his view.

As no agreement could be reached, the complaint has come to me to review and 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.

Mrs M's policy, under 'Section 2: Damage to your vehicle' provides that, in the event the damaged vehicle cannot be repaired, the most Admiral will pay is the "*market value*" of the vehicle. And the term "*market value*" 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."

Admiral said it would pay Mrs M £7,030 and I've considered whether this settlement valuation is in line with the policy terms.

When looking into these types of complaints we check trade guides, adverts and other

relevant evidence. We consider whether the insurer has made a reasonable offer in line with the evidence. We generally find the guides persuasive as they're based on nationwide research of likely selling prices, so they can be more reliable than individual adverts. But, as I've said, we do consider other evidence.

I've looked at the valuations from four trade guides. All were generated using the specific make and model of Mrs M's car, with a mileage of 77,000 (Admiral's notes say the odometer showed a mileage of 77,849), and the date of loss as November 2024. The results were:

Guide C - £5,895

Guide A - £6,533

Guide P - £6,842

Guide G - £7,030

Given the competitive market for second-hand vehicle sales, and to minimise the risk of detriment to the policyholder, the Financial Ombudsman Service feels it's fair to rely on the highest valuation returned by the trade guides. As Admiral's settlement valuation matched the highest valuation, generated by Guide G, I've considered whether there is persuasive evidence, for example from adverts or independent reports, to suggest that a fair settlement valuation would be higher than the highest guide.

Mrs M has provided examples of car sale adverts with prices in the region of £7,980, five months after the loss date. And she says that, because she paid more for a replacement car which was a year older than the car she had, the valuation guides must be incorrect.

I appreciate Mrs M's position and am sorry to hear that she paid more than £7,030 to secure a replacement vehicle, however I'm not persuaded that means the guides are wrong or that Admiral's offer is unreasonable.

Whilst I acknowledge that there are comparable cars advertised at higher prices, the valuation generated by Guide P in March 2025 listed details of several vehicles that were in the market at that time and these included 2013 and 2012 registered cars. Looking only at those with a mileage within 5,000 miles of 77,000 the advertised prices ranged from £5,250 to £7,989. So, not all the advertised prices were above Admiral's settlement valuation, and I can't conclude Admiral's valuation is clearly out of line with vehicles advertised for sale.

My role here is to decide whether Admiral has acted fairly towards Mrs M when making its settlement valuation of £7,030. Given that this figure is in line with the highest valuation generated by the guides, and I've seen no persuasive evidence that it's a figure at which it is not possible to purchase a comparable replacement vehicle, I agree with the Investigator, and I think that Admiral's valuation is fair.

Mrs M has also raised concern at Admiral not settling her claim in line with the valuation she declared when taking out the cover – £9,000. I acknowledge that a higher vehicle valuation can result in a higher premium, but this doesn't mean an insurer has to pay the policyholder the value they declared at inception where they suffer a total loss. The policy terms are clear that claims will be settled on the basis of *market value* at the time of loss. That's a common feature of standard motor insurance policies.

Overall, I don't think Admiral has acted unfairly and unreasonably in its response to Mrs M's claim, so I won't be asking it to increase its settlement valuation or take any other action.

My final decision

For the reasons set out above, my final decision is that I don't uphold Mrs M's complaint about Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 8 August 2025.

Beth Wilcox
Ombudsman