

The complaint

Mr L has complained about Admiral Insurance (Gibraltar) Limited. He isn't happy about the valuation of his car after it was deemed a total loss following a claim under his motor insurance policy.

What happened

Mr L made a claim under his motor insurance policy and his car was deemed a total loss after he was involved in an accident. When Admiral looked to settle the claim Mr L wasn't happy with the valuation of his car. And about the poor service he received amongst other things, so he complained to Admiral.

Admiral looked to value Mr L's car after it was written off by looking at a number of the various motor valuation guides in order to gauge the market value of his car. Having done so it offered Mr L just over £7,000 as a market value of his car but it did pay him compensation in relation to his other complaint points. While Mr L accepted the compensation, he remained unhappy as he thought his car was worth a few thousand pounds more than Admiral had offered, so he complained to this Service.

Our Investigator looked into things for Mr L, but she didn't uphold his complaint. She checked with Mr L that he didn't want to advance his other complaint points any further and focussed on his valuation complaint. However, although she sympathised with Mr L's position, she thought Admiral had provided a fair market value for Mr L's car. She looked at the adverts and evidence Mr L provided in support of his position, but she wasn't persuaded by these.

As Mr L didn't agree the matter has been passed to me for review.

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, and despite my natural sympathy for the position Mr L found himself in after being involved in an accident, I'm not upholding this complaint. I'll explain why.

This Service has an approach to valuation cases like Mr L's which has evolved in recent times. When looking at the valuation placed on a car by an insurance company, I consider the approach it has adopted. And decide whether the valuation is fair in all the circumstances.

It isn't the role of this Service to come to an exact valuation of a consumer's car. But we do look to see if insurers have acted reasonably in looking to offer a fair market value of the car in line with the policy terms and conditions. I pay particular attention to the various motor valuation guides used for valuing cars. And I look at any other evidence provided by both sides, such as advertisements or details about the condition of the car.

Valuing second-hand cars is far from an exact science and it isn't my role to value Mr L's car. I'm just looking to see if Admiral has acted reasonably in providing a fair market value of his car and, overall, I think it has.

Ultimately, the policy requires Admiral to compensate Mr L, the policyholder, for the market value of his car. The policy defines market value 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. The value is based on research from industry recognised motor trade guides.'*

In assessing what constitutes a fair value we generally expect insurers to review relevant guides to motor valuations – which is also our starting point for most valuation complaints. And I've looked at the available guides to assess whether Admiral's offer is fair and reasonable. Our Investigator reviewed the motor valuation guides which have produced values of £6,625, £7,280, £6,646 and £6,801 respectively. And having looked at these and the valuations produced by Admiral I think its offer of £7,020 feels fair as it is generally in line with the higher of the motor guide valuations found.

I know Mr L feels his car is worth more, but I haven't seen sufficient evidence of this. Mr L feels that his car has additional features that increase its value, but I'm satisfied that these have been taken account of. And although a lot of additional features can cost a lot more when a car is brand new the impact in the second-hand market can be limited. I note that Mr L feels that his car is worth more because it has only had one owner, and I'm sure that would be helpful when looking to sell a car, but it wouldn't add thousands to the value of a car even if it may be more desirable.

I've reviewed the adverts that Mr L feels support a higher value for his car. But in the main most of these adverts are for a different model of car and the ones that are similar to his have significantly different mileage. And given the large differences here I don't find them persuasive.

While Admiral considered adverts as part of its overall valuation process but it was satisfied that the valuation guides gave a fair valuation of Mr L's car and allowed him to buy a replacement vehicle for around the amount it offered. I know Mr L feels his car is worth more but a lot of the additional points he has raised don't affect the value here and I'm satisfied that they have been taken into account. And Admiral are not looking to replace his car 'like for like' just offering a reasonable market value.

I know my decision will come as a disappointment to Mr L who was involved in an accident. However, in looking to see if Admiral offered a fair market value for his car, I think it has for the reasons outlined above. Ultimately, Mr L believes the market value of his car is more than Admiral offered but I don't think there is sufficient evidence to support this. So, I'm satisfied that Admiral has offered a fair market value for Mr L's car.

My final decision

It follows, for the reasons given above, that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 1 August 2025.

Colin Keegan
Ombudsman