

The complaint

Mr M has complained about the way his motor insurer, Admiral Insurance (Gibraltar) Limited ('Admiral') dealt with a claim he made on his policy after his car was damaged.

Admiral is the underwriter of this policy i.e., the insurer. During the claim Mr M also dealt with other businesses who act as Admiral's agents. As Admiral has accepted it is accountable for the actions of its agents, in my decision, any reference to Admiral includes the actions of the agents.

What happened

I issued a provisional decision on this complaint earlier this month. In that decision I said I was considering upholding this complaint and asking Admiral to settle Mr M's total loss claim based on a £1,950 pre accident value. I also thought it should pay interest on the outstanding balance from the date of its £1,587.50 offer to the date it pays him. An extract from that decision follows:

"In June 2024 Mr M made a claim on his policy after his car was damaged. Admiral assessed the car and said it was a category B total loss which meant that it couldn't be repaired and put back on the road.

Mr M said the damage sustained by the car wasn't that serious and that he had consulted local garages who said it wouldn't cost much to repair. He said the car was his and his family's pride and joy and had sentimental value and so he wanted the opportunity to repair and use it. He was also not happy that he wasn't provided with a hire vehicle and also with the initial valuation Admiral arrived at.

Admiral upheld Mr M's complaint regarding the valuation and said that he should have been offered £89.50 more. It also offered him £50 by way of compensation. Admiral also upheld Mr M's complaint regarding the hire car and said that it had asked a separate company to provide this who said it had emailed Mr M but not heard back. Admiral accepted that the email may not have been received and offered Mr M a further £50 compensation. It didn't uphold the complaint about the salvage category and said this was based on the opinion of in-house engineers who are qualified experts in the field. Admiral also organised an inspection by an independent engineer who agreed with the car being a category B total loss.

Mr M then brought his complaint to our organisation. He said that Admiral's decision was made purely to save money and didn't take into account the sentimental value of the car. He said the engineer did not mention that the car was unsafe and that it could not be repaired and added that local garages said they could repair it within days. In relation to the courtesy

car he said that the process was inconvenient and irresponsible. He said that the company Admiral used has complex policies and that he was put off by the threats of being potentially liable for the hire costs so he ended up without a car over this period. He said he should be entitled to compensation for the stress and time spent on this and for not having a courtesy car.

One of our investigators reviewed the complaint but didn't think that Admiral needed to take any further action. She said that it was fair and reasonable for Admiral to rely on the evidence of expert engineers when it came to the categorisation of the salvage. And she also noted that Mr M wasn't entitled to a courtesy car under the policy as his car was a total loss.

Mr M didn't agree and asked for an ombudsman's decision. He didn't think that the evidence had been assessed properly and felt the investigation had been rushed. Mr M didn't provide expert evidence in support of the car being repairable but said he would be happy for Admiral to arrange a physical inspection while the car is in storage. He was unhappy about the fact that it didn't physically inspect the car.

Mr M asked for an ombudsman's decision and so the matter was passed to me to decide.

What I've provisionally 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.

The salvage categorisation

Mr M believes that his car is easily repairable and safe to put back on the road. He says Admiral's decision was made purely for cost-saving and didn't take into account the sentimental value of the car.

Admiral said that the car was assessed by in-house engineers and also an independent engineer. Both agreed that it was unsafe to put back on the road.

I appreciate that the car has huge sentimental value for Mr M but unfortunately this isn't something that is taken into account when determining whether a car is repairable and if not, what category the salvage is. This decision is normally made by engineers and based on their experience and expertise. I don't think Admiral had anything to gain by saying this was a category B salvage as opposed to another category. And I don't think Admiral was acting unfairly or unreasonably in relying on the evidence of its expert engineers.

Mr M said that he'd be happy for Admiral to arrange an independent inspection. As I said above, Admiral had already had the car assessed by an independent engineer, so I don't think a further inspection is necessary. I appreciate Mr M isn't happy because he says there was no physical inspection of the car, but we don't think it's always necessary for a physical inspection to take place and the engineers can rely on other evidence. We would expect the engineer to say if they believe that a physical inspection is necessary and in this case they didn't.

Based on the above and the fact that there is no conflicting expert evidence presented to us I think it was fair and reasonable for Admiral to rely on its expert evidence in relation to the salvage category. So I don't think it needs to take further action.

The hire car

Mr M said the hire car process was confusing and that he ultimately chose not to have one as he was concerned he would be liable for the hire costs.

Under the policy Mr M is not entitled to a courtesy car in these circumstances because his car was a total loss. Admiral said it referred him to a credit hire operator who could supply him with a credit hire car bearing in mind the accident he was involved in was non-fault meaning he would hope to recover the credit hire costs from the at fault party.

I appreciate that Mr M wasn't happy with the credit hire process and found it confusing but I don't think this is something Admiral was responsible for as the credit hire was provided by a separate company. If he is unhappy with the service they provided he would have to complain to them.

Admiral offered Mr M £50 compensation in the event that he didn't receive the terms and conditions from the credit hire company. I thought this was fair and reasonable bearing in mind that I don't think this was Admiral's responsibility.

Valuation

Mr M was initially not happy about the valuation. Admiral initially offered him £1,587.50 and later increased this to £1,677. It said it relied on two motor valuation guides in arriving at its valuation.

Our service has an approach to valuation cases like Mr M's that 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.

Our service doesn't value cars. Instead, we check to see that the insurer's valuation is fair and reasonable and in line with the terms and conditions of the policy. To do this we tend to use relevant valuation guides. I usually find these persuasive as they're based on nationwide research of sales prices.

Admiral used two of the four motor guides we use. We consulted the guides ourselves and only one returned a valuation which was for £1,163. The two guides Admiral used produced values of £1,225 and £1,950.

Admiral valued Mr M's car initially at 1,587.50 which was the average of the two guides it used. It then increased this to £1,677. Admiral hasn't provided us with any further evidence in support of its valuation.

Given there isn't any other evidence to persuade me that a valuation in line with the higher valuation produced is inappropriate and to avoid any detriment to Mr M the highest valuation produced by the guides is my starting point. It follows that looking at the valuations produced

by the guides I'm of the view that Admiral's offer of £1,677 is not fair. I think this should be increased to £1,950."

Admiral responded to my provisional decision and said that in arriving at its valuation it didn't only consult the trade guides but also considered an independent assessor's opinion and attached a further copy of that report.

Mr M also responded to the provisional decision and made some further comments. He said he felt a more appropriate valuation was £2,500 but would leave this to our discretion. He added that Admiral should be responsible for the companies it chooses to represent it and so it should be responsible for the actions of the credit hire company. He added that it should have provided a courtesy car as there was a long gap between the incident and Mr M receiving the settlement payment. He added that he took the guaranteed option and should have been provided with a courtesy car immediately.

Mr M provided a report from his own engineer which said that they had carried out a comprehensive inspection of the car and found it not to be structurally damaged. The engineer also did not consider it to be unsafe to use on UK roads in its current condition but this was subject to cosmetic repairs which he had recommended. He added that the car met all relevant roadworthiness requirements and was fit for lawful operation.

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.

Admiral said that it increased its offer from £1,587.50 to £1,677 after obtaining an independent assessor's report. I had previously considered the report Admiral has referred to and apologise for not referring to it specifically in my provisional decision though I had noted that the offer was increased to £1,677. I have considered the assessor's report and note that the assessor said that his valuation was based on the average value of the two trade guides Admiral had consulted. It doesn't say that he took any other evidence into account when arriving at his valuation. Furthermore, though the average value was £1,587.50, the assessor felt Admiral's offer should be increased by a further £89.50 but doesn't explain why. I can't see that he referred to any other evidence such as adverts for example. In the absence of further evidence or an explanation as to how the assessor arrived at the £1,677 valuation I still think a £1,950 valuation is more appropriate for the reasons I explained in my provisional decision.

Mr M has provided a report from his own engineer which says that the car has no structural damage, it is roadworthy and safe to use on UK roads. The engineer added that the damage sustained is primarily cosmetic. The engineer hasn't commented on the salvage category or stated what the salvage category should be, but I understand Mr M feels this report supports his argument that he should be able to repair the car and put it back on the road. As this report has not yet been considered by Admiral I didn't think it was fair and reasonable for me to take it into account as part of this complaint and make findings based on this report. In this decision I am only able to consider evidence which was available to Admiral at the time when it considered the initial complaint. Mr M is free to provide Admiral with this report for it

to consider and if he is unhappy with its response he may be able to bring a new complaint to us.

Mr M feels that a £2,500 valuation is more reasonable but for the reasons I have already given, I think a fair valuation is £1,950 in these specific circumstances.

Mr M has also said that Admiral should be responsible for the actions of the credit hire company but I don't think that is the case as it is a separate company to Admiral and also credit hire is not a service provided as part of Mr M's policy. This is something that Admiral explained to Mr M during their initial call. I appreciate Mr M also feels that he should have been provided with a courtesy car but as I already explained in my provisional decision, as his car was beyond economic repair, this is not something that is offered by the policy.

These and the findings I made in my provisional decision now form the findings of this, my final decision.

My final decision

For the reasons above, I have decided to uphold this complaint. Admiral Insurance (Gibraltar) Limited must settle Mr M's total loss claim based on a £1,950 pre accident value. It must also pay 8% simple interest per year on the outstanding balance from the date of its initial offer of £1,587.50 to the date it pays him.

If Admiral Insurance (Gibraltar) Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr M how much it's taken off. It should also give Mr M a tax deduction certificate if he asks for one so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 June 2025.

Anastasia Serdari
Ombudsman