

The complaint

Mr N is unhappy with how Admiral Insurance (Gibraltar) Limited has settled a claim made under his motor insurance policy.

What happened

In February 2025, Mr N's car was hit by a third-party. He made a claim to Admiral, and it said the damage to the car was beyond economical repair. Admiral paid Mr N £20,833.67 which it said was based on the average value of three guide prices. Mr N didn't think this offer was sufficient as he'd only purchased the car within the last six months and paid £22,000.

Mr N asked Admiral for more information about the guide prices it relied on to calculate the valuation. Admiral said it had offered the average of the three guides. Unhappy with this, Mr N complained to Admiral, saying it was clear from online adverts that he wouldn't be able to replace his car with a similar make and model for much less than £24,000. But Admiral declined to increase the valuation.

Mr N referred his concerns to the Financial Ombudsman Service, where they were considered by one of our investigators. She said she considered the valuation provided by Admiral was fair in the circumstances, and she wasn't going to ask it to increase this.

Mr N was unhappy and didn't agree. He said he'd provided six adverts which supported his position the valuation set out by Admiral was too low. This was considered by our investigator, but she said only two of the six adverts were comparable and, on this basis, she was more persuaded by the valuation reached when relying on the industry guides. As Mr N didn't agree, 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 started by considering 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 industry recognised motor trade guides."*

Admiral said it obtained three valuations and subsequently offered £20,833.67, an amount that was the average of the three guides.

We ran further valuations from Glasses, Percayso, Autotrader and Cap which came in at £20,600, £20,612, £21,568 and £20,500 respectively. So, I'm satisfied the valuation of

£20,833.67 paid by Admiral is in line with the trade guides, and is toward the higher end of these, given only one valuation was higher than the amount paid.

I've also considered the adverts provided. Admiral provided two adverts, showing one car for sale at £25,900 with a mileage of 25,771 and the other for sale at £24,990 with a mileage of 36,670. At the time of the accident, the recorded mileage of Mr N's car was 62,504 so I don't consider the adverts provided by Admiral to be persuasive, given both adverts had a considerably lower mileage so were likely to be advertised at a higher price.

I've also considered the adverts provided by Mr N. I don't find four of the adverts comparable because these cars all had mileages of between 36,670 and 46,939, again lower than the mileage of Mr N's car at the time of the accident. So that leaves two adverts, one car is slightly younger than Mr N's car and one is slightly older. But again, both mileages are between 11,000 and 8,000 lower than Mr N's car, though the advertised prices show the cars were advertised for sale between £22,970 and £24,495. However, I'm not persuaded that only two slightly comparable adverts are sufficiently more persuasive than the range of valuations set out by multiple trade guides – which is what the policy terms say Admiral needs to rely on when settling the claim.

I'll turn now to the other information Mr N provided, namely a bill of sale for the replacement car he bought. This showed the purchase price was £24,200 but with a recorded mileage of 52,735. So, for the same reasons as I've set out above, I'm not persuaded the bill of sale shows a fair comparison. I'm satisfied the fairest method of reaching a valuation here is to rely on the trade guides.

Having considered all the evidence and information, I'm persuaded the valuation reached by Admiral (at the higher end of the range) is fair and reasonable and in line with our approach. I'm not going to require it to increase this or take any further action to put things right for Mr N.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 11 September 2025.

Emma Hawkins

Ombudsman