

The complaint

Mr B complains about how Admiral Insurance (Gibraltar) Limited dealt with a claim against his motor insurance policy. Reference to Admiral includes its agents.

What happened

Mr B had a motor insurance policy underwritten by Admiral. In November 2024, a named driver on Mr B's policy was involved in an accident whilst driving. Mr B's car was damaged and he made a claim against his policy. Admiral said Mr B's car was a total loss and valued it at £1,900. Mr B didn't accept Admiral's valuation. Admiral paid Mr B £1,600 (£1,900 less the £300 excess due under the policy) on an interim basis. Mr B didn't think that was fair.

In its final response to Mr B, Admiral upheld his complaint in relation to its valuation of his car and its delay in contacting him after he rejected its initial valuation. It increased its valuation of Mr B's car by £25, so to £1,925. It also paid Mr B interest on the increase and £75 in relation to his distress and inconvenience. Admiral didn't uphold the other elements of Mr B's complaint.

Mr B says Admiral's valuation of his car is too low. He says he's seen similar cars for sale between £1,700 and £3,000. Mr B thinks the valuation should be £2,200-£2,500. He says Admiral didn't wait for information from him before valuing his car.

Mr B says after he declined Admiral's valuation, it told him it would contact him in 3-5 working days but didn't do so. Mr B complains that Admiral paid him £1,600 even though it knew he didn't accept its valuation. He says he wasn't given the option of retaining the car.

Mr B complains he was told to return the courtesy car within seven days of Admiral's payment to him. He says the compensation of £75 is too low as he's lost income of almost £500 as a result of being without his car or the courtesy car.

One of our Investigators looked at what had happened. He didn't think Admiral had treated Mr B unfairly or unreasonably. The Investigator said Admiral had reviewed relevant guides and valued Mr B's car in line with the highest valuation it had received. He didn't think Admiral was at fault in valuing Mr B's car before it received further information from him. The Investigator said the excess of £300 was due in accordance with the policy terms.

The Investigator said we think it's good practice for insurers to make interim payments when there's a dispute about a valuation. He didn't think Admiral was at fault in asking Mr B to return the courtesy car. In the circumstances here, the Investigator didn't think Admiral was required to give Mr B the option of retaining his car, as he hadn't asked about that.

The Investigator said Admiral agreed it had failed to contact Mr B promptly after he'd disputed its valuation. He thought the compensation Admiral had already offered was fair and reasonable in this case.

Mr B didn't agree with the Investigator. He said Admiral's customer service and communication was unacceptable. The Investigator considered what Mr B said but didn't

change his view. Mr B asked that an Ombudsman consider his complaint, so it was 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 summarised this complaint and what's been said in far less detail than Mr B. It's clear Mr B has very strong feelings about this matter. He has provided detailed submissions to support his complaint, which I have read and considered. I don't respond to every single point made. No discourtesy is intended by that. Instead, I've focussed on what I think are the key issues here. The rules governing our service allow me to do this as we are an informal dispute resolution service. If there's something I've not mentioned it isn't because I've overlooked it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to fulfil my statutory remit.

Mr B is concerned about how Admiral handled his complaint. We can only consider complaints about financial services. So, I can't consider the points Mr B has raised about how Admiral handled his complaint, because it isn't a regulated activity. But I can consider Mr B's complaint about Admiral's handling of his claim.

I've taken into account the law, regulations and good practice. Above all, I've considered what's fair and reasonable. The relevant rules and industry guidance say Admiral has a responsibility to handle claims promptly and fairly and must act to deliver good outcomes for retail consumers. I don't uphold Mr B's complaint and I'll explain why.

Admiral's valuation of Mr B's car

The starting point is the terms and conditions of the policy. In the circumstances here, Admiral could choose to repair Mr B's car or pay him a cash sum to replace the damaged car. The choice is Admiral's alone and it isn't required to wait for Mr B to approve its decision. In this case, Admiral concluded Mr B's car was a total loss and chose to pay him a cash sum to replace the damaged car. The policy says in those circumstances, the most Admiral will pay is the '**market value**' of the 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. This value is based on research from industry recognised motor trade guides.'*

This service's role isn't to work out the exact value of Mr B's car. We look at whether Admiral has applied the terms of a policy correctly and valued the car fairly. Admiral has provided this service with three valuations from valuation guides: £847, £1,620 and £1,925. It's standard practice for insurers to use valuation guides to work out the estimated market value of a car. I don't think it's unreasonable to do so. The guides use nationwide data and take into account all the factors Admiral set out in its definition of market value - make, model, age and condition - to estimate a value for a specific car.

In accordance with our usual approach in cases like this, our Investigator also obtained valuations from valuation guides. Those valuations were £830, £953, £1,620 and £1,925. So, broadly consistent with the valuations obtained by Admiral.

Mr B says he's seen similar cars for sale between £1,700 and £3,000. The Investigator asked Mr B to provide those adverts. Unfortunately, Mr B didn't retain them, so we can't

know at this stage whether the adverts Mr B saw were for directly comparable cars. In any event, I think advertised sale prices are less reliable than valuation guides as they show the price sellers hope to achieve, not necessarily sold prices.

Admiral's revised offer of £1,925 is in line with the highest of the valuations. I think Admiral's valuation of £1,925 is a fair valuation in this case. I've seen no additional evidence that persuades me a valuation higher than Admiral's revised offer is more appropriate here.

The claims process

I've looked at how Admiral handled Mr B's claim. Very soon after Mr B made the claim against his policy, Admiral provided Mr B with its valuation. Admiral didn't wait for Mr B to provide the additional information it had asked for.

In its final response to Mr B, Admiral said it didn't need additional information from Mr B in order to come to its valuation. I accept what Admiral says about this. It used the initial information Mr B provided and other publicly available information to check the valuation guides. I don't think it's necessarily unfair for an insurer to move quickly to valuation. I think it would have been better if it had explained its approach to Mr B and not asked him for additional information it didn't need but I don't think Admiral treated Mr B unfairly in coming to its valuation decision as quickly as it did.

I think there was some delay in Admiral contacting Mr B after he didn't accept its valuation. Admiral has acknowledged its error and apologised.

I don't think Admiral acted unfairly or unreasonably in making an interim payment to Mr B. Where there's a dispute about the settlement of the claim, we think it's reasonable for an insurer to make an interim payment, which is what happened here when Admiral paid Mr B £1,600.

In the particular circumstances here, I don't think Admiral treated Mr B unfairly or unreasonably in failing to give him the option of retaining the car. Based on what I've seen, Mr B didn't ask Admiral about that at the relevant time.

Mr B is unhappy he was told to return the courtesy car within seven days of the interim payment. His policy provides that a courtesy car will not be provided if his car is a total loss. So, strictly speaking, Admiral wasn't obliged to provide a courtesy car after it had concluded Mr B's car was a total loss. I don't think Admiral acted unfairly or unreasonably in cancelling the courtesy car arrangement when it did.

Considering everything, I think Admiral's revised valuation of £1,925 is fair and reasonable. And I think the compensation of £75 it has already paid in relation to Mr B's distress and inconvenience arising out of its errors in this case is fair and reasonable. It follows that I don't require Admiral to do any more.

My final decision

For the reasons I've explained, 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 B to accept or reject my decision before 26 September 2025.

Louise Povey
Ombudsman

