

The complaint

Mr K complains that Admiral Insurance (Gibraltar) Limited (“Admiral”) mishandled his claim on a motor insurance policy.

What happened

The subject matter of the insurance, the claim and the complaint is a sports utility vehicle, made by a premium-brand car-maker and first registered in 2020.

Mr K acquired the car.

For the year from early January 2025, Mr K had the car insured on a comprehensive policy with Admiral. Any claim for damage (except a windscreen claim) was subject to an excess of £1,350.00.

Mr K reported that on about 22 February 2025, a third party’s vehicle had hit his vehicle, deploying its airbags and seriously damaging its front.

By early March 2025, Admiral had got a report from an independent assessor. It said that the vehicle was a total loss (in salvage category S).

Admiral said that the vehicle’s pre-incident value had been £48,030.00.

By about 7 March 2025, Mr K had complained to Admiral that it was under-valuing his vehicle and over-valuing its salvage.

By a final response dated 13 March 2025, Admiral turned down the complaint. It said that the (increased) pre-accident valuation was £48,855.00. Admiral also said that, as Mr K wanted to keep the damaged car, it would deduct a salvage value of £18,564.90.

Mr K brought his complaint to us in late March 2025.

Our investigator didn’t recommend that the complaint should be upheld. She thought that Admiral’s valuation and its salvage amount were fair and reasonable in the circumstances.

Mr K disagreed with the investigator’s opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- His car cannot be replaced for £48,855.00.
- The trade guides don’t account for his vehicle’s top specification.
- Admiral disregarded the independent engineer’s salvage valuation of £9,606.00.
- The third party accepted liability for the accident.
- His family was left without a vehicle for months.

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.

Pre-accident valuation

I will consider the evidence to decide whether Admiral valued Mr K's vehicle fairly and in line with the policy terms.

Admiral's policy required it to pay the vehicle's "Market Value" defined as follows:

"The cost of replacing your car in the United Kingdom at the time the loss or damage occurred with one of the same make, model, age and condition. This may not necessarily be the value you declared when the insurance was taken out. Your insurer may use publications such as Glasses Guide to assess the market value and will make any necessary allowances for the mileage and condition of your car and the circumstances in which you bought it."

We expect an insurer to value a used vehicle by reference to retail figures in certain trade guides. The guides are also our starting point.

I've noted the make, model, specification, age, good condition and low mileage of Mr K's vehicle before the accident.

For Mr K's vehicle, including the correct specification, I've seen retail figures in the trade guides as follows:

CAP	£46,500.00
Percayso	£48,912.00
AutoTrader	£49,039.00

So the guides provided a range of figures.

Admiral's figure of £48,855.00 is lower than two of the trade guide figures. However Admiral's figure of £48,855.00 is over 99% of the highest trade guide figure.

Furthermore, Admiral's figure is higher than the independent assessor's valuation.

Mr K has provided some adverts and other evidence in support of a valuation higher than £48,855.00. However, I don't consider that the adverts are for like-for-like vehicles. For example one of them is for a vehicle with a "22" registration plate in contrast to Mr K's "20" plate.

So I'm satisfied that Admiral's figure was enough to enable Mr K to purchase a like-for-like replacement vehicle. I conclude that Admiral's valuation was fair and reasonable.

Salvage

If Admiral had paid Mr K the pre-accident value less the excess, then the damaged vehicle would've become the property of Admiral and it would've sold the vehicle to its salvage agent.

The independent assessor's report suggested a salvage valuation of £9,606.00. However, Admiral has provided us, in confidence, with evidence that it had a deal with its salvage agent under which the salvage agent would've paid it £18,564.90. Arithmetically, that's about 38% of the pre-accident value.

So, notwithstanding that Mr K believes the average to be 20%, I'm satisfied that Admiral's salvage value was fair and reasonable. And of course Mr K had a choice whether to accept the pre-accident value less the excess or whether to keep the damaged vehicle and suffer the salvage deduction.

Conclusion

The accident and the need to make a claim were, in my view bound to cause Mr K distress and inconvenience.

I've found that Admiral's valuation was fair and reasonable.

Admiral's final response was within a month after the accident. It said that it had sent Mr K payment as follows:

Pre-accident valuation	£48,855.00	
Less		
Excess		£ 1,350.00
Salvage		£18,564.90
Balance		£28,940.10

The final response also said the following:

"Please note cashing the payments we have sent shall not prejudice your position."

The final response also told Mr K that if he no longer wanted to keep the damaged vehicle, Admiral's salvage agent would collect it and Admiral would pay Mr K the salvage amount.

So I conclude that Admiral treated Mr K fairly and reasonably. I don't find it fair and reasonable to direct Admiral to pay Mr K any more or to compensate him for not getting a replacement vehicle.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Admiral Insurance (Gibraltar) Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 October 2025.

Christopher Gilbert
Ombudsman