

The complaint

Mr K complains about the way Admiral Insurance (Gibraltar) Limited (Admiral) have handled his claim and the settlement it has paid to settle his claim under his motor insurance policy.

What happened

The circumstances of this complaint will be well known to both parties and so I've summarised events. In April 2024 Mr K reported a claim to Admiral under his motor insurance policy after his vehicle had been stolen and recovered. Admiral declared Mr K's vehicle as a total loss and said it would settle Mr K's claim by paying the vehicle's market value minus his policy excess and outstanding premium. It valued Mr K's vehicle at £17,542.

Mr K didn't agree with the market value and so raised a complaint. He also complained about the way his claim had been handled. On 24 September 2024 Admiral issued Mr K with a final response to his complaint. It said it didn't think it had caused unreasonable delays in Mr K's claim and under the terms of his policy he wasn't entitled to a courtesy car. It acknowledged it hadn't kept Mr K as well updated as it could have done and so paid a total of £170 compensation. It said it would increase the valuation of Mr K's vehicle to £17,720.67 and so would pay an additional £178.67 along with 8% per year simple interest on this amount. Mr K didn't think this was reasonable and so referred his complaint to this Service.

Our investigator looked into things. She said she thought Admiral had progressed Mr K's claim appropriately, and in the circumstances Mr K wasn't entitled to a hire vehicle or courtesy car. She said she thought Admiral didn't keep Mr K appropriately updated but the compensation it had paid to recognise this was reasonable. She said she had consulted four valuation guides and felt the guide which provided the highest valuation (£17,781) gave a fairer reflection of the market value of Mr K's vehicle. So, she thought Admiral should increase its valuation to £17,781 and pay 8% per year simple interest on the additional settlement due.

Mr K accepted our investigator's view but Admiral rejected it. It said it thought the valuation it had placed on Mr K's vehicle was reasonable.

I issued a provisional decision about this complaint and I said:

'I want to acknowledge I've summarised Mr K's complaint in less detail than he's presented it. I've not commented on every point he has raised. Instead, I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mr K and Admiral I've read and considered everything that's been provided. I've addressed the key points separately

Vehicle valuation

The role of this Service isn't to work out exactly what the value of an individual vehicle is. We look at whether the insurer has applied the terms of the policy correctly and valued the vehicle fairly. Under the terms of Mr K's policy, Admiral had to pay

him the market value of his vehicle, minus his policy excess.

The terms of the policy define 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.'

It's standard practice for the industry to use valuation guides to work out the estimated value of a car, and it's not unreasonable that it does so. I find these to be persuasive as they're based on nationwide research of likely sales prices.

Admiral assessed the value of Mr K's vehicle by using three valuation guides which provided valuations of £17,300, £17,660 and £18,202 respectively. It then paid the average of these three valuation figures. This Service consulted these three guides, but also a further guide which provided a valuation figure of £17,592.

Mr K said vehicles with a similar specification to his own were valued at £18,995. He has provided advertisements of two vehicles which he says demonstrate this to be the case. I've reviewed these advertisements but I'm not persuaded they demonstrate the valuations produced by the valuation guides are unreasonable. Only two examples have been provided, and I don't think this shows Mr K is unable to replace his vehicle for the valuation Admiral have placed on his vehicle.

Considering the valuation Admiral have placed on Mr K's vehicle is toward the top end of these valuation guides, and I've not seen persuasive evidence to demonstrate a different valuation would be more reasonable, I think Admiral have acted fairly when valuing Mr K's vehicle.

Claim handling

Admiral have said it hasn't caused any unreasonable delays when dealing with Mr K's claim. It has acknowledged it could have kept Mr K better updated and so has paid a total of £170 compensation. Therefore, I've considered whether I think Admiral have caused unreasonable delays when handling Mr K's claim, and whether the compensation it has paid is reasonable to acknowledge the impact caused to him.

I appreciate Mr K was frustrated with the length of time it took Admiral to provide him with the settlement for his vehicle, however based on the evidence provided I don't think this was due to an error by Admiral. Given the circumstances of Mr K's claim, Admiral needed to validate the claim in detail which involved dealing with a number of third parties. I think it progressed matters as I would have expected it to.

I can see Mr K did drive much of the communication with Admiral, calling on a regular basis for updates. I think had Admiral done more to keep Mr K updated with the progress of his claim he wouldn't have had to spend so much time contacting Admiral to find out what was happening on his claim. I think this has caused Mr K some distress and unnecessary inconvenience, but I think the total compensation of £170 Admiral have paid is fair to acknowledge this. Therefore, I don't require it to pay further compensation.

Hire vehicle/courtesy car

Mr K was unhappy he wasn't provided with a hire vehicle or courtesy vehicle whilst his claim was being considered. So, I've considered whether this was reasonable.

The terms of Mr K's policy state:

'A courtesy car will not be provided if your vehicle is:

- Stolen*
- Outside our territorial limits*
- Beyond economic repair*
- Repaired by an unapproved repairer'*

Mr K's vehicle was recovered but given the damage it was deemed beyond economic repair. Therefore, under the terms of Mr K's policy, he wasn't entitled to a courtesy vehicle. And as I don't think Admiral caused unreasonable delays in Mr K's claim, I don't think it was required to provide Mr K with a courtesy vehicle or hire vehicle during the course of his claim. Therefore, I think Admiral acted fairly when it didn't provide Mr K with a courtesy vehicle.'

Neither party responded to my provisional decision.

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.

As neither party has given me anything further to think about, I see no reason to reach a different outcome to the one I reached previously. Therefore, I don't uphold this complaint for the reasons I set out in my provisional decision.

My final decision

For the reasons I've outlined above, I don't uphold Mr K's complaint about Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 24 July 2025.

Andrew Clarke
Ombudsman