

The complaint

Miss M complains that Admiral Insurance (Gibraltar) Limited (“Admiral”) mishandled her claim on a motor insurance policy.

What happened

The subject matter of the insurance, the claim and the complaint is a sports utility vehicle, first registered in 2017.

Miss M acquired the vehicle in July 2022.

For the year from July 2024, Miss M insured the car on a comprehensive Admiral policy.

Miss M reported that in March 2025, an accident had damaged the underside of the car.

Admiral said the car was a total loss and its pre-accident value has been £11,309.50.

Miss M complained to Admiral that it was responsible for delays and under-valuing the car.

By a final response dated 27 March 2025, Admiral accepted part of the complaint about delays and said it was sending Miss M a payment of £100.00. Admiral turned down the complaint about valuation.

Miss M brought her complaint about valuation to us in early April 2025.

Our investigator recommended that the complaint should be upheld. She didn’t think that Admiral’s valuation had been fair. She recommended that Admiral should:

1. increase Miss M’s vehicle settlement to £12,041.00, subject to any excess; and
2. pay the difference along with 8% interest from the date it made the initial payment.

As neither Miss M nor Admiral had responded, the investigator asked for an ombudsman to review the complaint.

Admiral provided further information, namely a list of advertisements from AutoTrader that were available at the time the valuation was conducted.

Miss M accepted the investigator’s opinion.

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 will consider the evidence to decide whether Admiral valued Miss M’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 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."

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 mileage of Miss M's vehicle before the accident.

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

CAP	£ 9,825.00
Glass's	£11,010.00
AutoTrader	£11,609.00
Percayso	£12,041.00

So there is a variation or a range in those figures. Admiral's valuation of £11,309.50 is in line with the lower figures in that range.

So, in order for me to be satisfied that Admiral's valuation is fair, I would expect Admiral to provide other evidence (for example, adverts for the sale of similar cars or reports from experts) to show that its valuation is appropriate. And I'd need to be satisfied that this evidence is relevant and persuasive (and more persuasive than any evidence provided by Miss M) before accepting that Admiral's valuation is fair.

Admiral has provided an AutoTrader list of advertisements from shortly after the time of the accident. However, only three of the advertised vehicles were registered in 2017 and all of those had mileages at least 10,000 more than Miss M's vehicle.

So I'm not satisfied that Admiral has provided enough evidence that Miss M could replace her vehicle with a figure in line with the lower of the guide figures. And I don't find Admiral's valuation was fair and reasonable.

Miss M thought that a fair valuation would be between £13,000.00 and £15,000.00. She pointed to the optional extras on her vehicle, its full service history and new tyres. However, general maintenance and new tyres often maintain value rather than enhancing it. And a CAP valuation including the optional extras didn't increase the market value of the vehicle.

Miss M provided some adverts for similar vehicles. However, one of them is for a car with automatic transmission, whereas hers was manual. Miss M provided only one other advert. And adverts contain asking prices that may be negotiated down.

By contrast, trade guides are based on likely selling prices. So I don't consider that the adverts show that the trade guide figures are inappropriate. In any event, Miss M accepted the investigator's opinion with the valuation of £12,041.00.

Putting things right

To avoid any detriment to Miss M, I find that a fair market valuation would be the highest guide figure of £12,041.00. And I find it fair and reasonable to direct Admiral to adopt that valuation of £12,041.00.

Admiral has already deducted the excess of £550.00. So an increase from £11,309.50 to £12,041.00 will require it to pay the difference of £731.50.

Admiral's final response was within a month after the accident. And it said that Miss M could accept its payments without prejudicing her position.

Miss M said she had a loan outstanding for the vehicle and couldn't afford a replacement.

However, she hasn't said that the extra amount of £731.50 would've made the difference that she could've afforded a replacement. In any event, Miss M accepted the investigator's opinion. So I don't find it fair and reasonable to direct Admiral to pay compensation for distress, inconvenience or loss of use of a vehicle.

I take the view that Admiral ought reasonably to have paid the extra £731.50 in Miss M's case by 27 March 2025. So I find it fair and reasonable to direct Admiral to pay interest from that date at our usual rate.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Admiral Insurance (Gibraltar) Limited to:

1. adopt a pre-accident valuation of £12,041.00 for Miss M's vehicle; and
2. pay Miss M, in addition to its previous payments, a further £731.50; and
3. pay Miss M simple interest on £731.50 at a yearly rate of 8% from 27 March 2025 to the date of payment. If Admiral considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Miss M how much it's taken off. It should also give her a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

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

Christopher Gilbert

Ombudsman