

The complaint

Mrs O complains that Admiral Insurance (Gibraltar) Limited offered an unfair settlement under a motor insurance policy.

What happened

Mrs O had an Admiral motor insurance policy. In February 2025, her car was damaged in an accident and she made a claim on the policy. Admiral declared the car a total loss, valued the car at £61,002, and paid this (less the £850 policy excess) to Mrs O's car finance provider to settle the claim.

Mrs O didn't accept this and complained to this service. She doesn't believe Admiral's settlement reflects the true market value of her car. She said, in summary:

- She can't buy a replacement car for Admiral's valuation.
- She thinks Admiral based its valuation on older cars and/or cars with significantly higher mileage.
- She found 11 comparable listings on a well-known motor sales platform. The average asking price for these is over £77,000.
- She recognises that advertised prices include a margin for negotiation but believes this is minimal, and says many vehicles are selling for their listed prices.
- While she doesn't think location significantly affects value, her analysis of prices in the area where she lives suggests an average asking price of over £74,000.

Our investigator didn't uphold the complaint. She found four valuations based on the same make, model, year, and mileage as Mrs O's car. The highest of these was in line with Admiral's valuation, so she thought its offer was a fair market value for the car.

Mrs O didn't agree, so the case was passed to me to make a final 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.

The policy says if Admiral doesn't repair Mrs O's car, it must pay her its market value. The policy booklet 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."*

As our investigator explained, when we look at complaints about valuations, we check the relevant valuation guides and consider whether the insurer has made a reasonable offer in line with them. These guide values are based on nationwide research of selling prices. Adverts are another way of checking how much it might cost a customer to buy a replacement. These can sometimes be misleading as sale prices are often lower than the

advertised price after negotiations between buyer and seller, as Mrs O acknowledged.

Admiral sent us the three guides it used to value Mrs O's car. These gave values of £53,680, £52,500, and £61,002. It offered Mrs O the higher of these, less the policy excess.

Our investigator found the following valuations based on a similar make, model, mileage, and condition of Mrs O's car at the time of loss: £53,700, £52,000, £61,631, and £58,106. For the avoidance of doubt, I'm satisfied that this shows Admiral based its valuation on cars of the same age and mileage as Mrs O's.

Mrs O doesn't think the valuation allows her to buy a suitable replacement. She sent us 14 adverts from a well-known motor publication to support her position. I've reviewed these carefully and make the following comments:

- Mrs O's car is an electric vehicle. This means battery capacity is a key consideration when assessing value. Greater battery capacity increases a car's range, which increases its value.
- Only four of the 14 adverts Mrs O sent us are for the same year as her car.
- More significantly, all four had a larger battery capacity than Mrs O's car.
- The cars from a year after Mrs O's car – with one exception¹ – were listed at between £73,900 and £89,950.
- This suggests later models of Mrs O's car have a significantly higher value.
- That makes sense. That model had a number of technological improvements from Mrs O's model, and came with a larger battery as standard.
- Finally, I looked at current adverts on the same sales platform that Mrs O used. I found three of the same year, approximate mileage, and battery capacity as Mrs O's car. Their prices were £57,500, £57,950, and £61,990.

I understand Mrs O's arguments and why she believes Admiral's offer is too low. However, I don't think she was comparing like-for-like. Having considered the evidence, I don't find any compelling evidence to ask Admiral to increase its valuation. I recognise that Mrs O was left with a significant shortfall on her car finance and I sympathise with her. However, for the reasons above, I think Admiral's valuation is fair.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 20 October 2025.

Simon Begley
Ombudsman

¹ The exception was a year older than Mrs O's car with 12,046 miles listed at £66,490.