

## **The complaint**

Mr H complains Admiral Insurance (Gibraltar) Limited (Admiral) caused unnecessary delays to his claim on his motor insurance policy and unfairly settled his claim after his car was classed as a total loss.

## **What happened**

In September 2024 Mr H made a claim on his motor insurance policy after his car was damaged in a collision in which his was the only vehicle involved,

The car was deemed a total loss.

Admiral made its market value settlement offer at the end of January 2025. Its final offer was £14,269 less the policy excess.

Mr H was not happy about the time taken for Admiral to make the offer and also with the settlement amount. He said the delay in settling his claim may have impacted its ability to assess an accurate market value.

Because Mr H was not happy with Admiral, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said Admiral should increase its settlement offer to £14,683. They said 8% simple interest should also be added to the additional amount from 13 October 2024 to the date the payment is made. They said Admiral could have done more to update Mr H and should've progressed the claim when he provided evidence the police were taking no further action at the start of January 2025, but it took a month to do this. They said its offer of £410 compensation was a fair way to resolve this element of the complaint.

As Mr H is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

## **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.

### ***Valuation***

In this case I have considered whether Admiral acted fairly and reasonably in reaching its decision as to the level of settlement offered to Mr H following the write-off of his car.

My role is not to provide an exact valuation but to make a judgment as to whether the offer of settlement is fair.

I firstly looked at the details within Mr H's motor insurance policy with Admiral. On page four of the booklet are definitions of terms used within the policy. It says;

*“Market Value – 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.”*

Although this service doesn't value vehicles, we do check that the insurer's valuation is fair and reasonable and in line with the terms and conditions of the policy. We use valuation guides to do this, and they're based on nationwide research of likely selling prices and take the car's specifications, mileage etc into account.

This service doesn't consider the question of market value to be an exact science, however our general approach is that the valuations given in the main motor valuation guides provide the most persuasive and consistent evidence. These guides are based on extensive nationwide research of likely (but not actual) selling prices. We expect insurers to pay the highest of the valuation guides, unless they are able to provide us with evidence which supports a lower valuation.

Prices of used cars can change on a regular basis. This could be an increase or decrease. This is the reason why we take the approach that if Admiral can demonstrate that it used a fair process to value the car then we wouldn't interfere with the offer it has made.

I looked at the information Admiral used when calculating the market value for Mr H's car. I saw it obtained valuations from three of the main valuation guides using the date of loss as 15 September 2024. In this case initially Admiral offered £14,120 which is the average of the three guides. After Mr H complained about the valuation it obtained a valuation from an independent assessor and then increased its offer to £14,269. To support its valuation Admiral provided a number of sales adverts for similar cars of the same age. These included cars with more mileage than Mr H's car with advertised sales prices of less than its valuation, and cars with less miles advertised at a higher price. The nearest car in mileage was advertised for more than Admiral's offer.

I looked at the valuations our investigator obtained. They used four of the main valuation guides, of which three were the same as used by Admiral. The highest of these four valuations was £14,683 and the lowest was £14,100. They used 15 September 2024 as the valuation date.

Based on the valuations our investigator obtained, I don't think the settlement amount paid for Mr H's car is fair in this case, because it is the average of the valuations it obtained and I am not persuaded by the additional evidence it provided to support this valuation. I think going by the highest valuation will ensure Mr H has received a fair offer, allowing him to replace his car with one of a similar make, model and specification.

I understand Mr H thinks the valuation should be more as the car included some extras. However the specific optional extras on Mr H's car were used in the valuations obtained by our investigator.

I'm satisfied the highest valuation of £14,683 obtained by our investigator is in line with the list of advertised sales prices provided by Admiral, and it is a fair market value settlement offer.

Therefore, I uphold Mr H's complaint regarding the total loss settlement offer for his car.

## **Delay**

I saw at the end of January 2025 Admiral acknowledged its claims team hadn't been proactive in its communication and had incorrectly been waiting for Mr H to complete a safe driving course and this had caused an unnecessary delay with his claim. It apologised and paid him £250 for distress and inconvenience caused. It paid him interest on the £14,120 total loss settlement from 13 October 2024 to 31 January 2025 when it paid the settlement. Mr H complained further about the total loss valuation and the poor level of service received and in March 2025 Admiral again apologised. It increased its total loss settlement to £14,269 and paid him a further £150 compensation for the inconvenience caused plus £10 for telephone calls he had to make.

I think this is a fair and reasonable offer for the delay caused and poor level of service provided in this complaint.

### **Putting things right**

I require Admiral to increase its settlement offer to the highest valuation of £14,683. It should also add 8% simple interest on the difference from 13 October 2024 to the date of final settlement.

### **My final decision**

For the reasons I have given I uphold this complaint.

I require Admiral Insurance (Gibraltar) Limited to increase the settlement offer for Mr H's car to £14,683. This means an amount of £414 should be paid. It should pay 8% simple interest on this amount from 13 October 2024 to the date of final settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 7 October 2025.

Sally-Ann Harding  
**Ombudsman**