DRN-5717051

Complaint

Mr S complains about the settlement Admiral Insurance (Gibraltar) Limited paid him following a claim on his motor insurance policy.

Reference to Admiral includes all its agents.

What happened

Mr S has a motor insurance policy with Admiral. When his car was involved in an incident, he made a claim for the damage caused.

Admiral accepted the claim. It deemed Mr S' car a total loss and wrote it off. It offered Mr S a settlement of £9,466 which it said represented the market value of Mr S' car at the time of the incident. But Mr S decided to retain the salvage of his car, so Admiral deducted £1,514.56 from the settlement.

Mr S didn't think this was fair and complained. He thought the car was worth more. He raised some customer service issues and disputed the excess payment too.

Admiral partially upheld Mr S' complaint. It paid him compensation to resolve the service issues and waived the policy excess payment as a gesture of goodwill. But it didn't change its stance on Mr S' car's valuation.

Mr S brought his complaint to our Service. He said Admiral had resolved the service issues, but he still didn't agree with its total loss settlement. Mr S said he was unable to buy a like for like car with the settlement Admiral provided him.

Our Investigator recommended Mr S' complaint be upheld. He didn't think Admiral had evidenced that its valuation was fair. He recommended Admiral increase its value by £581 - the difference between its valuation and the highest guide valuation. He also recommended Admiral pay Mr S an additional £150 compensation for the distress and inconvenience caused by it paying him less than fair market value.

Mr S didn't agree and asked for an Ombudsman's decision. Admiral didn't respond to our Investigators assessment. So, this complaint has been passed to me to decide.

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.

Having done so, I'm upholding it. I'll also be doing so for broadly the same reasons given by our Investigator. So, in line with our role as an informal service, I'll keep my explanation brief and focus on complaint points and evidence I consider to be key or central to the issue in dispute.

- Mr S's policy says the most it will pay in any claim is the market value of his car. It 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.*"

- Admiral used three recognised valuation guides to value Mr S' car and offered a valuation that was around the average of those guides. It then deducted £1,514.56 because Mr S wanted to retain his car.

- We use the same valuation guides as Admiral used here, plus one more if it's available. Using the three valuations Admiral provided, plus one other guide that produced a value for Mr S' car we are presented with four valuations, £9,150, £9,480, £9,760 and £10,047.

- To ensure a consumer gets a fair value for their vehicle, our Service says that if an insurer thinks less than the highest guide valuation is fair, then it needs to provide evidence to support that. If it can't, or doesn't, then we're likely to say it should pay the highest guide value (unless there's persuasive evidence to show that isn't enough).

- Admiral hasn't provided any adverts to support its valuation of Mr S' car.

- Therefore, the starting point for the value of Mr S' car should be the highest of the valuation guides - £10,047.

- Unless we receive sufficient evidence to show otherwise, we find the valuation guides to be a reliable source of data and persuasive evidence in determining a vehicle's market value.

- Mr S has provided adverts, most of these showing the car for sale for more than Admiral's offer. These adverts appear to be for the correct vehicle year, but they have less mileage than Mr S' car. I'm not satisfied that the adverts provided are more persuasive than the valuation guides – because they're not a close enough match to Mr S' car.

- Mr S provided the original advertisement from when he first purchased his car in 2022 which shows a higher value. But I'm more persuaded that the highest of the valuation guides provides fair value because the guides are updated regularly and provide the value of the vehicle at the time of loss. The advert Mr S has provided is just an indication of his car's value at the time it was purchased, many years before the incident. I understand that Mr S has some concerns about the valuation guides that were used but we find them to be a reliable valuation tool to reach a fair outcome in the circumstances of this complaint. I've not been provided with anything to persuade me the guides aren't reliable in this case.

- Therefore, based on what I've seen, I'm satisfied that £10,047 is the fair market value of Mr S' car at the time of the loss.

- There's no dispute around the amount deducted for Mr S keeping his car (the salvage).

- Therefore, to put things right Admiral should pay Mr S the difference between its valuation of £9,466 and the valuation I consider to be fair - £10,047.

- Not being offered a fair market value in the first instance has caused Mr S unnecessary distress and inconvenience. Mr S said because Admiral didn't provide fair value for his car- he decided to retain it and pay for the repairs to make it roadworthy because he couldn't afford the extra money to buy a replacement car. Mr S also argued that he was forced to repair his car because the valuation Admiral provided wasn't enough. He's said the repair took six weeks and thinks he should have been given a courtesy car while it was being repaired.

- I'm satisfied, for the reasons stated above, that the valuation wasn't quite enough. But even the increased valuation our Investigator recommended isn't enough for Mr S. So even if it had paid him this increased settlement, I think it's likely he'd have still chosen to repair his car. Therefore I don't think Admiral is responsible for his decision to keep the salvage and repair it rather than receiving the full settlement.

- Ultimately, Admiral settled Mr S' claim when it paid him the settlement and returned his car to him. What Mr S did after that was his choice, and not the responsibility of Admiral. So I don't find it's responsible for the time taken for the repairs to be completed, or keeping him mobile during those repairs. Admiral provided Mr S with a courtesy car at the start of his claim, but when it decided the car was a write off it withdrew the car. This action was reasonable and in line with the policy terms and conditions. I don't find it needs to do anything more here.

- I'm satisfied an additional £150 compensation is a reasonable amount in the circumstances of this complaint. It's clear that Mr S experienced distress and inconvenience due to Admiral not providing him the correct valuation and he was left out of pocket as a result. But as stated above, I think even with the correct amount, I'm not sure Mr S would be in a substantially different position. While Mr S believes a higher level of compensation should be paid I find that, an additional £150 compensation is appropriate based on the circumstances of this complaint.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint and require Admiral Insurance (Gibraltar) Limited to:

- Pay Mr S the difference between £9,466 and £10,047- 8% simple interest should be applied to this difference. Interest should be calculated from the date Admiral paid Mr S the settlement of his claim to the date it makes this payment to him.
- Pay Mr S £150 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 25 November 2025.

Colleen Cousins
Ombudsman