The complaint

Mr W complains about the claim settlement offered by Admiral Insurance (Gibraltar) Limited following a claim on his motor insurance policy.

Admiral are the underwriters (insurers) of this policy. Some of Mr W's dissatisfaction concerns the actions of Admiral's appointed agents. As Admiral have accepted responsibility for their agent's actions, in my decision any reference to Admiral includes the actions of any appointed agents.

What happened

The background to this complaint is well known to Mr W and Admiral. Rather than repeat in detail what's already known to both parties, in my decision I'll focus mainly on giving the reasons for reaching the outcome that I have.

Following a fire, Mr W made a claim on his motor insurance policy. Admiral accepted the claim. Given the age of the car, trade guides were unable to provide a valuation. Admiral offered a claim settlement of £8,112.33. This was based on a valuation report, comparable adverts and a positive adjustment for lower-than-average mileage. Mr W rejected the offer as he felt the car was worth more.

Mr W raised a complaint about the settlement offered. Admiral didn't uphold his complaint and Mr W referred the complaint to our Service for an independent review. Our Investigator recently let Mr W know that he wasn't recommending the complaint be upheld. As the dispute remains unresolved, it's been referred to me for a 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

The scope of my decision

As our Investigator has explained, our role in this complaint is to decide if, on balance, Admiral have fairly reached the settlement offered. It's not our role to tell businesses how much a car is worth, or how they ought to carry out valuations. The approach I've followed is outlined in more detail here: https://www.financial-ombudsman.org.uk/consumers/complaints-can-help/insurance/motor-insurance/vehicle-valuations-write-offs

My key findings

The policy terms here outline that indemnity in this type of claim will be limited to the market value of the car, pre-loss:

> *"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"*

However, given the age of the car (registered in 2003), it's not unusual that the trade guides insurers would normally refer to when reaching a valuation, don't offer a valuation here. It's reasonable that Admiral looked at alternative means to value the car - including considering comparable adverts and an expert report.

Admiral explained they reached their valuation by considering comparable adverts and offering the average plus a positive allowance for lower-than-average mileage. The figure offered was £8,112.33 before the deduction of the policy excess. Mr W argues that Admiral have excluded a comparable advert of £9,995 (same age of car and around 15,000 more miles). He says Admiral also haven't taken into consideration the condition of his car, as they didn't see it in person and instead only carried out a desktop assessment based on photos. I've thought carefully about this.

The most expensive advert (£9,995) wasn't relied on. This was from a specialist car dealer and it was around £1,500 more expensive than the next highest advert. I don't find this unusual. I've also noted that Admiral didn't include the two lowest adverts (£4,500 and £3,995). This was positive and in Mr W's best interests. Overall, in the specifics of this complaint, I find no issue with the approach Admiral have taken when relying on comparable adverts. Admiral have also made an adjustment for lower-than-expected mileage. I find this to be positive and fair. I won't be asking Admiral to include the £9,995 advert to indemnify Mr W.

The main remaining point of contention in this complaint is Mr W's argument that Admiral haven't made an allowance for the condition of the car. He's also unhappy that only a desk top assessment was carried out. He's said: *"if the insurance company had arranged for a physical visit to assess the vehicle's value after the damage caused by the fire there would have been a formal record to the testament of the excellent interior condition of the vehicle that was only covered with a light dusting of soot."* Based on experience, it wouldn't be unusual in a claim of this nature that an insurer remotely valued the car instead of physically inspecting it. An adjustment has been made for the mileage and I'm satisfied Mr W has been given a fair opportunity to provide counter evidence that would undermine the position taken by Admiral.

Based on the photos provided, I don't find it unreasonable that Admiral deemed the inside of the car to be 'average'. Given the nature of the loss, it's possible the fire has caused smoke damage etc, but Mr W hasn't provided any persuasive evidence that it was in a better condition pre-loss. For example, in some photos of the seats, there are signs of wear that would be expected in a car of this age.

I've also carefully considered the recent interior photos provided by Mr W, but I've placed limited weight on them as being reflective of the condition of the car at the time of loss. I say this because they're not date stamped, and no meta data has been provided to show when they were taken. Mr W has recently let us know that the photos were taken over a six year period. This is supported by one of the photos where the mileage appears to be around 38,000. The mileage at the time of loss was around 10,000 more at 49,190. Cross referencing with MOT history available online, this corresponds with early 2018 (six years pre-loss), when the mileage at that MOT was recorded as 38,142. As above, I'm limited regarding how much emphasis I can place on the photos as being representative of the condition of the car at the time of the loss and I don’t find they undermine the settlement Admiral offered.

I’ve also considered the arguments Mr W has made about the exterior condition of the car. Whilst I note Mr W’s comments that the car wasn’t driven during winter, this was a car that was over twenty years old and on balance, I find it was reasonable of Admiral to deem its’ condition to be ‘average’.

Summary

I’m satisfied that Admiral have fairly reached their settlement offer and I won’t be directing them to increase it. As it appears from the evidence that Admiral have already made payment to Mr W, I won’t be directing them to do anything further in relation to this claim.

My final decision will disappoint Mr W, but it ends our Service’s involvement in trying to informally resolve his dispute with Admiral.

My final decision

My final decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr W to accept or reject my decision before 30 September 2025.

Daniel O'Shea
Ombudsman