

## **The complaint**

Mr C complains that Admiral Insurance (Gibraltar) Limited mishandled his claim on a motor insurance policy.

## **What happened**

The subject matter of the insurance, the claim and the complaint is an electric car, first registered in February 2016.

According to its MOT history, the car passed a test in mid-November 2023 with a recorded mileage of about 155,000.

Mr C or his wife acquired the car on about 20 November 2023. An invoice dated that day recorded a price of £16,500.00.

For the year from late November 2023, Mr C had the car insured on a comprehensive policy with Admiral. The policy covered Mr C as policyholder and his wife as a named driver. Any claim for damage (except to a windscreen) was subject to an excess of £825.00.

Unfortunately, Mr C reported to Admiral that in mid-July 2024, an incident had damaged the car. The recorded mileage was about 179,500.

Admiral arranged for the car to be taken to a repairer.

On about 5 August 2024, Admiral decided that the car was a total loss (in salvage category N – non-structural damage).

On about 14 August 2024, Admiral told Mr C its pre-accident valuation of the car. Mr C didn't accept that.

Mr C expressed an interest in keeping the damaged car.

In late September 2024, Admiral sent Mr C a cheque.

On about 5 November 2024, Mr C complained to Admiral that he hadn't agreed or received the total loss payment, yet its salvage agent had put the car into an auction.

By a final response dated 6 November 2024, Admiral accepted the complaint in part. It said that it had correctly sent a cheque for the total loss payment. But Admiral accepted that it hadn't communicated about the payment as well as it should've. So Admiral said it was sending Mr C a cheque for £100.00.

The final response dated 6 November 2024 also referred to an earlier final response to a complaint about the valuation. That complaint and the response to it cannot have been any earlier than 14 August 2024, so Mr C was still within the six-month time limit for bringing that complaint to us.

Admiral's final response dated 6 November 2024 said that– as regards the complaint that the salvage agent had put the car into an auction - Admiral would forward that complaint to the salvage agent to provide a final response.

Mr C brought his complaint to us in late November 2024. He said that the car “*currently sits in a salvage yard*”. He said that Admiral should “*offer the proper value of the car (£17,000)*”.

The MOT certificate expired in December 2024.

By April 2024, Mr C had got the damaged car back. On 19 April 2025, Mr C told our investigator the following:

*“I’ve included an invoice from just this week for repair of the high voltage battery that was caused by the negligence and inattentiveness of Admiral and their partners. By allowing the EV battery to drain completely and leaving it without attention for months, I have incurred an additional £5200 in repair costs that could have easily been avoided.”*

On 1 May 2025, the car passed a test with a recorded mileage of about 179,700.

#### *our investigator's opinion*

Our investigator recommended on 2 May 2025 that the complaint should be upheld in part. He thought that a fair market value was £12,580.00. He recommended that Admiral should:

*“compensate Mr [C] with the difference in £12,081.00 and £12,580.00. (£499.00). I would then ask that as these funds have been deprived, that 8% simple interest per annum is added from the date of the initial settlement was paid up to settlement date.”*

Mr C disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint.

Admiral accepted the investigator's opinion but said that the salvage value should also increase from £3,986.73 to £4,151.40.

#### *my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mr C and to Admiral on 24 July 2025. I summarise my findings:

I was satisfied that the value of £12,580.00 was fair for the car.

Mr C hadn't said that he suffered any financial loss as a result of the auction.

Mr C suffered further distress and inconvenience when he found out about the auction.

Subject to any further information either from Mr C or from Admiral, my provisional decision was to uphold this complaint in part. intended to direct Admiral Insurance (Gibraltar) Limited to pay Mr C:

1. a further £499.00 for the damaged car; and
2. simple interest on £499.00 at a yearly rate of 8% from 15 August 2024 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 Mr C how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and

3. in addition to its payment of £100.00 in November 2024, a further £150.00 for distress and inconvenience.

Mr C disagreed with the provisional decision in part (see "[Responses to the provisional decision](#)" below).

Admiral disagreed with the provisional decision in part (see "[Responses to the provisional decision](#)" below).

### **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.

#### Pre-accident value

The policy provided that, in the event of a total loss, Admiral would compensate Mr C for the market value of his vehicle.

The policy defines market value 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."*

In assessing what constitutes a fair market value we generally expect insurers to review relevant guides to motor valuations - which is also our starting point for most valuation complaints.

I've seen trade guide values for the car as follows:

CAP	£10,170.00
Percayso	£11,467.00
AutoTrader	£11,916.00
Glass's	£12,580.00

Those valuations vary significantly from the lowest to the highest.

Admiral's figure of £12,081.00 was in line with some of the lower guide values. However, Admiral didn't show us why that figure was fair or that Mr C could replace the car with a similar one for that figure. So I'm not persuaded that Admiral's figure was fair and reasonable.

Moreover, Admiral has accepted the investigator's opinion that a more appropriate fair market valuation would be the highest guide value of £12,580.00. So, the only question for me is whether it should be higher.

Mr C drew attention to the specification and optional extras on the car. However, the highest guide value was by reference to the registration number of the car. I'm satisfied that the value of £12,580.00 is fair for the car including its specification and optional extras, but also taking into account its recorded mileage.

Mr C also provided some links to adverts for similar cars. However, I don't find them persuasive because they are for cars with lower recorded mileage.

### Scope of this decision

The Financial Conduct Authority's dispute resolution rules are binding on the Financial Ombudsman Service.

One such rule is that, before we can investigate a consumer's complaint, the consumer must first have made that complaint to the regulated firm and waited for up to eight weeks for a final response. It follows that we can't usually investigate complaints made after the complaint which prompts the final response.

It sometimes happens that a consumer makes a complaint, receives a final response and brings the complaint to us, with additional points of complaint. In such circumstances, the rules allow us to investigate the initial complaint, but the rule means that we can't at the same time investigate the additional points.

I haven't seen enough evidence that, before 6 November 2024, Mr C had complained to Admiral that it had abandoned the car or caused a flat battery. So I don't make any findings on that complaint in this decision.

Also, I haven't seen enough evidence that, before 6 November 2024 (or when he brought his complaint to us), Mr C had complained to Admiral that it was applying an unfairly high salvage value. So I don't make any findings on that complaint in this decision.

From its file, Admiral noted on 1 October 2024 a complaint that it hadn't offered "CIL" (cash in lieu of repairs). So, notwithstanding that Admiral didn't respond to that complaint in its final response dated 6 November 2024, I will make findings on that complaint in this decision.

### Settlement

Admiral's policy terms included the following:

*"What we will pay*

*We will decide how to settle your claim and will either pay:*

- to repair your vehicle*
- a cash sum to replace the damaged vehicle.*

*If we give you a cash sum, the most we will pay is the market value of the vehicle.*

*Should we deem your vehicle repairable but are unable to complete or guarantee the repairs, we will offer you a cash sum to cover reasonable costs of parts and labour."*

So the policy terms provided that it was Admiral's decision how to settle the claim.

In Mr C's case, Admiral decided that the car wasn't repairable but was a total loss. Mr C asked for cash in lieu of repairs (hoping to dispense with the category N record). However, as it didn't consider the car repairable, I don't consider that Admiral treated him unfairly by not offering CIL.

### Auction sale

Admiral's policy terms also included the following:

*"If your vehicle is a total loss we can also:*

- Stop cover immediately and cancel your policy*
- Take possession of your vehicle if we settle your claim on a total loss basis (the vehicle will become our property in those circumstances)"*

The phrase "settle your claim" may have suggested to Mr C that Admiral and he had to reach agreement. However, Admiral was entitled to decide how to settle the claim. And if he complained to Admiral about the pre-accident valuation, he could bring that complaint to us.

I would expect that if Mr C asked about keeping the damaged car, Admiral would give him a reasonable opportunity to do so on payment or deduction of a salvage value equivalent to what its salvage agent would've paid it.

When he brought his complaint to us, Mr C included the following:

*"We have received their checks in the mail but refuse to cash them as we do not want there to be any question of our accepting their offer at this valuation".*

From that and from Admiral's file, I find that Mr C had received a cheque in late September 2024 and a replacement cheque in early November 2024. From Admiral's response to the investigator's opinion, I infer that the cheques were after deduction of a salvage value of £3,986.73. So I'm not satisfied that, by early November 2024 the car had become Admiral's property.

Moreover, I'm not satisfied that it was fair for Admiral's salvage agent to put the car in an auction. As Admiral was the only possible source of authority for the salvage agent to sell the car, I'm minded that Admiral was responsible for the salvage agent's action.

Mr C has said that the damaged car was sold at auction for nearly £12,000.00. He has also said that he had to deal with the salvage agent and with the winner of the auction.

According to the DVLA vehicle history, the most recent V5 registration document is dated 12 December 2023. So I find it likely that the car remained registered to Mr C or his wife.

Moreover, Mr C hasn't said that he suffered any financial loss as a result of the auction.

In any event, I don't find it fair and reasonable to direct Admiral to compensate Mr C by agreeing to his pre-accident valuation of £17,000.00.

#### Distress and inconvenience

Admiral's payment of £100.00 was in respect of earlier distress and inconvenience caused by shortcomings in communication around the cheque in late September 2024. Keeping in mind the nature and duration of the impact on Mr C, I'm satisfied that £100.00 was fair and reasonable and in line with what I would otherwise have directed Admiral to pay in line with our published guidelines.

I accept that Mr C suffered further distress and inconvenience when he found out about the auction. The impact on him included shock and indignation. It also included that Mr C felt the need urgently to contact Admiral, its salvage agent and the auction.

From its file, I've seen that Admiral took steps to get the car withdrawn from the auction. Yet its final response later denied responsibility and made no offer of compensation.

From Admiral's file I consider that Mr C had been less than decisive from August to November 2024 about keeping the car. And he passed up an opportunity to take delivery of it in mid-November 2024, which is why it was still at the salvage yard when he brought this complaint to us. Neither he nor Admiral have told us when he took the car back.

### Responses to the provisional decision

Mr C has said that the car had the premium features of "free supercharging" and seven seats. However, the highest guide value was by reference to the registration number of the car. So I'm satisfied that it took account of the features of the car.

Mr C says that the drive train in these cars is designed for over 300,000 miles of driving. He has sent us current listings of cars similar to his. However, Mr C hasn't shown us adverts for cars with recorded mileages as high as his. I'm still not satisfied that Mr C has provided enough evidence to displace the highest trade guide value of £12,580.00.

Mr C has provided a statement from the winner of the auction. From that, I accept that he paid £9,500.00 plus fees of £1,800.00, a total of £11,300.00. I also accept that he notified Mr C before Admiral told the salvage agent to cancel the sale.

However, Mr C hasn't provided any evidence that he suffered a financial loss. Indeed, he got the damaged car back and the salvage deduction was much less than the winning bid at auction.

Whilst I don't condone the circumstances of the abortive sale, Mr C hasn't provided any further evidence about the impact on him or the level of distress and inconvenience he suffered. So I'm still satisfied that a further £150.00 is fair and reasonable.

Admiral has shown us evidence that – for a car with a pre-accident value of £12,081.00 or £12,580.00 and in category N, the salvage payment would've been 33%.

Nevertheless, there's no evidence that (without our intervention) Admiral would've valued the car at £12,580.00 or that the salvage agent would've paid 33% of that amount. So I don't find it fair and reasonable to direct Admiral to pay the increase in the valuation net of an increase in the salvage deduction.

### **Putting things right**

I will direct Admiral to increase the pre-accident valuation from £12,081.00 to £12,580.00. I will direct Admiral to pay Mr C the difference between £12,081.00 and £12,580.00, that is £499.00.

As I take the view that Admiral should've made that extra payment by about 15 August 2024, I will direct it to pay interest at our usual rate from that date.

On balance, I find that it's fair and reasonable to direct Admiral to pay Mr C a further £150.00 for the distress and inconvenience caused by the actions of its salvage agent in putting the car in the auction.

### **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 pay Mr C:

1. a further £499.00 for the damaged car; and
2. simple interest on £499.00 at a yearly rate of 8% from 15 August 2024 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 Mr C how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and
3. in addition to its payment of £100.00 in November 2024, a further £150.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 4 September 2025.

Christopher Gilbert

**Ombudsman**