

The complaint

Mr E complains about the valuation placed on his vehicle by Admiral Insurance (Gibraltar) Limited (“Admiral”) following a claim he made under his motor insurance policy.

What happened

Mr E held a motor insurance policy underwritten by Admiral. He contacted them to raise a claim following a road traffic accident in March 2025. Admiral said his vehicle would be deemed a total loss and valued it at £31,154.67. Mr E disputed this and raised a complaint. He said the specification of his vehicle hadn’t been properly considered.

Admiral considered the complaint but didn’t uphold it. They said they’d used motor industry guides to value the vehicle and maintained a fair market value was the amount they had put forward. And they said the optional extras on Mr E’s vehicle hadn’t added value to the final figure. Mr E remained unhappy with Admiral’s response to his complaint – so, he brought it to this Service.

An Investigator looked at what had happened and ultimately recommended that the complaint should be upheld. He said he wasn’t persuaded that Admiral’s valuation was a fair and reasonable market value. The Investigator said that Admiral’s evidence did not account for optional extras and that they hadn’t reviewed the additional evidence Mr E sent in when he first raised his valuation dispute, which meant they may have been able to increase the valuation earlier. Overall, the Investigator recommended that Admiral should pay the highest valuation guide value of £33,250 plus 8% simple interest to conclude the complaint.

Mr E said he would accept the Investigator’s recommendation in order to conclude the complaint, but Admiral didn’t agree. They said while some of the example vehicles they used to value Mr E’s vehicle had higher mileage or a lower overall specification, they felt that mileage variances of between 6,000 to 12,000 miles were within a reasonable limit, and specification differences may not always significantly affect resale value. Admiral also said vehicles that have sold cannot be verified and shouldn’t be used to justify a higher valuation. Admiral concluded that relying solely on the highest guide price ignored broader market evidence and maintained their previous valuation was fair.

As the complaint is yet to be resolved – it’s 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’ve reached the same overall outcome as the Investigator, and I uphold this complaint. I’ll explain why.

As the Investigator has already set out; it isn’t the role of this Service to come to an exact valuation of a consumer’s vehicle. What we do is look to see if an insurer has acted reasonably in looking to pay a fair value of the vehicle in line with the policy’s terms and

conditions. In the event of Mr E's vehicle being declared a total loss, the policy requires Admiral to compensate him for the market value of his vehicle. The policy 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."

It's standard practice for a motor insurer to use valuation guides to work out the estimated value of a car, so I find this to be generally fair. The valuation the guides produce are based on the advertised prices of similar cars with a similar age and mileage for sale at the time of loss. Here, I can see the guides returned values of £29,910, £30,832, £31,054 and £33,250, respectively.

This Service's approach to valuation disputes is that the fairest way to protect a policyholder from financial detriment is to start from the highest guide value, unless an insurer can demonstrate with clear evidence why a lower figure is fair. In order to support a lower settlement figure, I would usually expect to see supporting evidence such as comparable adverts, or engineer assessments showing that their policyholder could still reasonably purchase a replacement vehicle for the sum paid.

The Investigator previously outlined that he wasn't persuaded that Admiral had demonstrated why a lower figure was fair in the circumstances and recommended that they pay the highest of the guide values. I've considered the available evidence, and I've reached the same conclusion, in that Admiral hasn't provided the level of evidence I would expect to see in order to support a lower valuation.

While I've carefully considered everything Admiral has submitted, I don't think this properly acknowledges Mr E's vehicle's unusually low mileage or optional extras and specifications. And while I can see Admiral outlined that different specification packages do not necessarily make a difference to a vehicle's value, the evidence I've considered does not support this. Ultimately, I'm not persuaded the Admiral's initial valuation would have enabled Mr E to purchase a compatible replacement vehicle without suffering a financial loss.

Putting things right

I accept that the guides can differ for legitimate reasons, but my role isn't to select an average. It's to decide whether the amount Admiral paid was enough to meet their obligation to pay the vehicle's market value at the time of the loss. On balance, I don't think it was. And I therefore consider the highest guide value of £33,250 to represent a fair market value in the circumstances of this complaint.

Admiral should therefore increase the total loss valuation to £33,250, pay Mr E the difference between that sum and what they have already paid, as well as 8% simple interest on the difference, From the date the original payment was made to the date of settlement.

My final decision

For the reasons I have given, my final decision is that I uphold this complaint. I direct Admiral Insurance (Gibraltar) Limited to resolve the complaint in the way I have set out in the "Putting things right" section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 26 November 2025.

Stephen Howard
Ombudsman