

## **The complaint**

Mrs H and her company ("X") complain that Admiral Insurance (Gibraltar) Limited ("Admiral") mishandled a claim on her motor insurance policy.

## **What happened**

The subject matter of the insurance was a supercar, first registered in 2021.

In late April 2022, Mrs H's company acquired the car on a hire purchase agreement with a finance company.

Mrs H insured the car on a comprehensive policy with Admiral for the period from early May 2022 to late April 2023. She was the policyholder. Her husband was a named driver.

Mrs H reported on about 18 December 2022, that an arsonist had badly damaged the car.

Mrs H's company stopped paying, or the finance company stopped collecting, any more instalments under the HP agreement.

In mid-January 2023, Admiral got an independent assessor's report on the car. It gave an opinion that the car was a total loss (in salvage category B) and its pre-loss value had been about £212,500.00.

By April 2023, Mrs H's husband had complained to Admiral ("the April 2023 complaint") about delay and lack of updates.

By a final response dated 18 April 2023, Admiral turned down the April 2023 complaint. It said it was waiting for a police report.

In late August 2023, Mrs H brought the April 2023 complaint to us.

By October 2023, Mrs H's husband had complained to Admiral ("the October 2023 complaint") about further delay.

By a final response dated 21 October 2023, Admiral turned down the October 2023 complaint.

In late February 2024, an ombudsman upheld the April 2023 complaint in part. He thought that Admiral was responsible for some of the delays. He directed Admiral to pay Mrs H £150.00 in compensation.

By February 2024, Mrs H had complained to Admiral ("the February 2024 complaint") including about further delay and lack of updates.

By a final response dated 29 February 2024, Admiral accepted the February 2024 complaint in part and said it was sending Mrs H a cheque for £150.00.

By June 2024, Mrs H had complained to Admiral ("the June 2024 complaint") including about further delay and lack of updates.

By a final response dated 6 June 2024, Admiral turned down the June 2024 complaint. It said it was waiting to hear from DVLA.

Admiral appointed an investigator who took a statement and completed a report on 25 October 2024.

By mid-November 2024, Admiral decided to accept the claim.

Admiral said the car's pre-loss value had been £227,080.00. On about 23 December 2024, Admiral paid the finance company as follows:

valuation	£227,080.00
less excess	£ 350.00
paid	£226,730.00

By mid- December 2024, Mrs H had complained to Admiral ("this complaint") that it was responsible for further delay, interest, legal fees and under-valuing the car.

By a final response dated 25 February 2025, Admiral turned down this complaint insofar as it was about valuation. Admiral accepted this complaint in part namely about delay and said it was sending Mrs H a cheque for the following:

Compensation	£250.00
Call Costs	£ 25.00
Delay in complaint response	£ 25.00
Total	£300.00

Mrs H brought this complaint to us in late February 2025. Her company later joined in the complaint.

On 3 April 2025, our investigator issued an opinion on jurisdiction. He thought that he was only able to look into the complaint responded to by Admiral on 25 February 2025 (which I've called "this complaint").

Our investigator recommended (in mid-August 2025) that this complaint should be upheld in part. He didn't think that Admiral had reached an unfair valuation for the car.

However, he thought that Admiral should've paid the settlement within a few days of 8 November 2024. He didn't think that Admiral had done enough to settle the claim promptly, and because of this there'd been a financial loss.

He recommended that Admiral should:

1. increase the offer of compensation from £250.00 to £500.00; and
2. pay simple interest on the full settlement offer of £227,080.00 from 8 November 2024 to 23 December 2024.

Mrs H disagreed with the investigator's opinion. She asked for an ombudsman to review the complaint. She says, in summary, that:

- By not settling within a reasonable time, Admiral caused extra interest on the finance balance and caused her legal fees and the finance company's legal fees for which she or her company is liable.
- We should direct Admiral to pay interest for a much longer period.
- We should direct Admiral to pay more compensation for financial loss and distress.

Admiral accepted the investigator's opinion.

### **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.

#### Scope of this complaint and this decision

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

Mrs H didn't bring any of the respective complaints to us within the deadlines of six months after each of the following final responses:

21 October 2023

29 February 2024

6 June 2024

And she hasn't shown any exceptional circumstances that prevented her from doing so.

Also, I cannot re-open the ombudsman's decision from late February 2024.

So I cannot deal with any of the following complaints:

the April 2023 complaint

the October 2023 complaint

the February 2024 complaint

the June 2024 complaint

I can understand why Mrs H wants me to look at delays in the period from December 2022 through to at least the payment in December 2024. However, almost all of that is the subject matter of those four complaints.

So I can only look at the complaint after the June 2024 complaint up to the final response dated 25 February 2025 (this complaint).

#### Valuation

I haven't seen enough evidence that Mrs H disagreed with the investigator's opinion that Admiral's valuation was fair.

Nevertheless I will consider the evidence to decide whether Admiral valued the vehicle fairly and in line with the policy terms.

Admiral's policy required it to compensate the policyholder for the vehicle's "market value" defined as follows:

*"The cost of replacing your vehicle; with one of a similar make, model, year, mileage and condition based on the 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."*

We expect an insurer to value a used vehicle by reference to retail figures in certain trade guides. The guides are also our starting point.

I've noted the make, model, specification, age, condition and recorded mileage of the vehicle before the accident.

For that vehicle, including the correct specification, I've seen retail figures in the trade guides as follows:

CAP	£198,000.00
Glass's	£227,080.00
Percayso	£231,350.00

So there's a variation or range in the valuations. Admiral adopted the figure of £227,080.00 and that's over 98% of the highest figure of £231,350.00.

I have also looked at additional evidence. That included information from the salesman who sold the car in 2022. However, I'm not persuaded that he was providing a pre-accident valuation as opposed to an asking price for a replacement car which had a fraction of the mileage recorded by Mrs H's car.

The additional evidence also includes the report of the independent assessor. That mentioned the Glass' figure of £227,080.00 but the assessor nevertheless gave a valuation of about £212,500.00.

From the evidence as a whole, I'm satisfied that Admiral's valuation of £227,080.00 was enough to allow Mrs H to buy a like-for-like replacement vehicle. And I don't consider that Admiral treated Mrs H unfairly by its valuation of £227,080.00.

#### Delays and other shortcomings

For the reasons mentioned above, I can't make any findings about delay and shortcomings about which Mrs H complained at the time in the previous complaints.

I consider that it follows that I can't hold Admiral responsible for the consequences of delay up to June 2024, including interest, fees and legal costs incurred because of such delay.

Rather, I've looked at claims-handling from about 6 June 2024. From what I've seen, I'm generally satisfied that Admiral was still progressing its investigation of the claim.

However Admiral was responsible for some shortcomings in communication. Also Admiral was responsible for delay in considering its investigator's report dated 25 October 2024, and further delay in making payment.

### **Putting things right**

I take the view that Admiral ought reasonably to have made the payment by 8 November 2024. So Mrs H has been out of pocket since that date. And I find it fair and reasonable to direct Admiral to pay interest from that date at our usual rate – on its payment of £226,730.00.

Apart from such interest, Mrs H hasn't provided enough evidence that Admiral's delays and shortcomings (since June 2024) caused her or her company any financial loss. So I don't find it fair and reasonable to direct Admiral to pay compensation for any such financial loss.

However, I've also considered non-financial loss including distress and inconvenience.

The context is a high-value claim that had been unresolved since December 2022. And Mrs H and her company faced a large claim from the finance company. So Mrs H was anxious to get the claim resolved. She spent time chasing Admiral for progress and updates. Until mid-November 2024, there was no end in sight.

Admiral settled the claim and later tried to put things right with a payment of £250.00 plus £50.00. However, keeping in mind the nature of the impact on Mrs H of the delays and other shortcomings I've identified, I don't consider that this was enough to be fair.

I conclude that, in addition to the previous payments for previous complaints, a total of £500.00 is fair and reasonable and in line with our published guidelines for distress and inconvenience.

### **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 to Mrs H:

1. simple interest on £226,730.00 at a yearly rate of 8% from 8 November 2024 to 23 December 2024. If Admiral considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mrs H how much it's taken off. It should also give her a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate; and
2. in addition to previous payments for previous complaints and the payment of £250.00 plus £50.00 for this complaint, a further £250.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and X to accept or reject my decision before 17 October 2025.

Christopher Gilbert

**Ombudsman**