

The complaint

Mrs C and Mr C complained about how Admiral Insurance (Gibraltar) Limited dealt with their claim under Mrs C's motor insurance policy.

What happened

After their car was damaged in an accident, Admiral declared it uneconomical to repair and paid them a settlement value for it. Mrs C and Mr C said that wasn't enough for them to buy a similar car and they were left out of pocket. They thought Admiral had undervalued their car and wanted them to pay a realistic valuation.

Mrs C and Mr C also complained about Admiral's service. They said it took them too long to deal with the claim and that there was poor communication between them and the provider Admiral used to handle the claim and the car's assessment. I'll refer to this provider as Admiral's agent. Mrs C and Mr C said this led to poor communication with them about what was happening with their car, and meant that they had to be involved as "go between" and make excessive calls and contact with Admiral and their agent to resolve delays. They wanted Admiral and their agent to apologise and to compensate them fully for their time, effort, anxiety and distress.

Admiral considered their car settlement offer was fair. But regarding their service they apologised and offered Mrs C and Mr C £140 for loss of use of their car while it was waiting assessment, £10 for phone calls and £200 for their distress and inconvenience. Mrs C and Mr C didn't think this was enough and brought their complaint to us.

The investigator didn't recommend that the complaint should be upheld. She thought that Admiral's valuation was fair and the compensation Admiral had paid Mrs C and Mr C for their loss of use and distress and inconvenience was not unreasonable and was in line with our guidance. Mrs C and Mr C didn't agree and so I've been asked 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.

As the investigator has explained, there are some issues this Service can't consider here. There was a personal injury claim because Mrs C and Mr C's family member was unfortunately injured in the accident and Mrs C and Mr C are unhappy with aspects of that including how treatment was handled. But that is being dealt with by solicitors and so as the investigator has explained this Service can't comment on that issue. And Mrs C and Mr C have now queried whether Admiral should have repaired their car rather than declare it uneconomical to repair, but Mrs C and Mr C would first have to raise that matter with Admiral and allow them to respond to it.

Car valuation

Mrs C and Mr C's policy requires Admiral to compensate them for the market value of their vehicle. The policy defines market value as *"the cost of replacing your vehicle; with a similar make, model, age, mileage and condition."*

The investigator has explained about our approach to cases of motor market valuation cases. To recap on that, it's not our role to value a vehicle but instead to look at whether an insurer can show that they valued it fairly. That means considering the available evidence to assess whether an insurer acted in line with the policy terms and paid a fair market value for the vehicle. This Service will generally look at what the car trade valuation guides show. And if we can see the insurer ran the valuation guides correctly at the time of the claim, we will look at the valuations produced by those guides.

Assuming the valuation guides are in agreement with each other, if the insurer has valued the vehicle in line with them, we're likely to say it's fair. If the guides produce a wide range of values we look at where the insurer's value sits within that. If the insurer's valuation isn't close to the highest, we'll look to see if it's supported by other evidence. But what's considered fair will depend on the individual circumstances of the case. And we'll consider any engineer's reports, expert opinions, and adverts as additional evidence. We expect an insurer to show their valuation is enough to enable their policyholder to purchase a like for like replacement vehicle. If it doesn't, we're likely to require it to pay the highest of the guide values.

Admiral's files show that they followed the available guides before settling and paid more than the highest. The investigator checked the valuation produced by the three available guides. These were £9,560, £11,022, and £10,612. Admiral's valuation based on guides, market research, and the engineer's report, was £11,044. That was more than the highest valuation produced by the available guides.

Mrs C and Mr C said they had a conversation with Admiral's representative who referred to only two amounts to make the settlement offer. I don't find that unusual. Often several discussions can be had during the settlement process. Nevertheless, whatever else was discussed, Admiral have shown that they did follow the guide analysis process and paid Mrs C and Mr C more than the highest guide valuation.

Mrs C and Mr C said that their car was only about six years old with a low mileage and was in excellent condition, and they would have kept it for many years to come. I do see that it must have been hard for them to lose a car they were happy with, particularly through no fault of their own. But we don't think that maintaining a car's condition does increase its market value, and so it doesn't persuade me that a valuation higher than Admiral's is more appropriate here. Admiral's valuation was £11,044, and that is more than the highest valuation produced by the available guides, so I'm persuaded it's a fair valuation and in line with the policy terms.

Customer Service

Mrs C and Mr C said that Admiral took too long to have the car assessed by their agent because Admiral didn't advise them earlier that it was undrivable and, if they had, the agent would have arranged an earlier inspection than it did. Mrs C and Mr C said they had to phone Admiral and the agent to clarify and resolve this and try to expedite the assessment. There was also a period during the waiting for assessment when Admiral couldn't tell them where their car was. Mrs C and Mr C said they spent long hours on the phone with Admiral and their agent means trying to resolve these matters. They felt that if they hadn't spent so much time and effort intervening between the two companies things wouldn't have happened as quickly as they did. Mrs C and Mr C have explained that they were upset to think that

their car was missing, and that Admiral didn't take their age and health into account and caused them unnecessary distress.

However I think that Admiral did promptly clarify the situation regarding the car's drivability. And although it would have been better if Admiral had been able to tell them the whereabouts of their car and reassure them about that more quickly, Admiral did clarify the matter within about 24 hours. So I don't think that was unreasonable delay in either of these specific matters and Admiral have apologised for that. And despite Mrs C and Mr C's concerns, during that short period their car was not missing, but had been stored, and Admiral's agent knew about this, but hadn't communicated it to Admiral. Although I can see Mrs C and Mr C were worried that it was lost, that was only for a short time, and the car was not lost but remained under Admiral's overall responsibility during that short period. I think Admiral did compensate them fairly for that and the other service issue and for loss of use of the own car and for phone calls.

Mrs C and Mr C said that Admiral's agent didn't act on Admirals instructions and they wanted the agent to apologise for that. But it's a matter for Admiral's commercial judgement what providers they use and how they engage with them, and it's not for this Service to dictate commercial decisions or what processes and procedures a business should use with their providers. The agent was acting on behalf of Admiral and Admiral are responsible for their agent. Admiral have apologised and I think that's fair.

I do see that the accident and aftermath were stressful particularly as it involved injury to their family member, and they found their dealings with Admiral frustrating and would have preferred everything to have happened faster than it did. However overall I don't think that there was unreasonable delay in Admiral having the car assessed and in paying its market value. Admiral settled the claim within about four weeks from the accident, and I don't consider that to be unreasonable period of time for such a claim to be resolved. And so though I do see that Mrs C and Mr C will be disappointed, I don't think that further compensation is warranted and I don't ask Admiral to do anything else.

My final decision

For the reasons I've given above, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 18 February 2026.



Rosslyn Scott
Ombudsman