

## **The complaint**

Mr A complains about the amount Admiral Insurance (Gibraltar) Limited (Admiral) paid to settle his car insurance claim.

## **What happened**

In February 2025 Mr A was involved in a car accident and made a claim against his policy. Admiral deemed Mr A's car was a total loss and paid him £5,450 (less the policy excess). Mr A didn't accept Admiral's valuation of his car and complained. Mr A said he purchased the car for £10,000 in 2021 and that its market value remains unchanged as it's a rare and desirable car. Mr A also provided some adverts for cars which he thought were similar to his and supported his claim.

In its response to the complaint dated 5 March 2025, Admiral said it had reviewed the motor valuation guides it uses to value cars and was satisfied its valuation was fair. Unhappy with Admiral's response, Mr A referred his complaint to the Financial Ombudsman Service for an impartial and independent review.

Admiral issued a second response on 25 March 2025 in which it apologised for sending Mr A a text message saying his complaint would be sent to a specialist team when it'd already issued its final response. It also apologised for not addressing Mr A's concerns about using an incorrect car model classification when valuing his car. Admiral offered Mr A £125 compensation for this poor communication which Mr A accepted.

Our Investigator thought Admiral's valuation was fair. Mr A disagreed. He said he couldn't obtain a like for like replacement of his car with the amount Admiral had offered. Mr A asked that an Ombudsman determine his complaint by reference not only to law and contract, but also to what is fair and reasonable in all the circumstances. As the complaint couldn't be resolved, it was passed to me for 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.

I'm aware I've set out the background to this complaint in less detail than the parties have presented it. I'm not going to respond to every single point raised. Instead, I've focused on what I find are the key issues here. I assure both parties, however, that I've read and considered everything they've provided.

Firstly, I wish to reassure Mr A that when making a decision on a complaint I do so by reference to what, in my opinion, is fair and reasonable in all of the circumstances of the case. In considering what is fair and reasonable in the circumstances, I take into account relevant laws and regulations; regulators' rules, guidance and standards; codes of practice and (where appropriate) what I consider to be good industry practice at the time.

Mr A's policy says that in the event Admiral deems his car to be a total loss it will pay him its

market value (less any deductions). It 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.”*

Our service doesn’t value cars. Instead, we check to see that the insurer’s valuation is fair and reasonable and in line with the terms and conditions of the policy. To do this we check valuation guides and other relevant evidence. The valuation guides are based on extensive nationwide research of likely selling prices. They use advertised prices and auction prices to work out what likely selling prices would’ve been. We expect insurers to use valuation guides when valuing a car for claims purposes.

The guides we use as a starting point are CAP, Glass’s, Autotrader and Percayso. And we’d typically consider the safest way to ensure a consumer receives the correct replacement cost (market value) is to make sure the insurer bases its settlement on the highest one. Or – if it doesn’t – to make sure the insurer has provided sufficient evidence to demonstrate that a valuation lower than this is fair.

Mr A thinks Admiral used an incorrect classification of his car model when valuing his car. It’s regrettable Admiral didn’t address this concern when it first responded to Mr A’s complaint. But I can see that Admiral checked the guides using Mr A’s car registration and VIN number. Admiral has confirmed these details would provide valuation information which includes all optional extras. So, I’m satisfied Admiral correctly identified the car and obtained valuations from the valuation guides using the correct details and mileage for Mr A’s car.

The valuation guides our Service uses valued Mr A’s car at £3,930, £4,988, and £5,450. A fourth guide did not return any results due to the car’s age. Admiral’s valuation of £5,450 is the highest valuation produced by the guides. Mr A doesn’t think this is a fair valuation. He thinks his car is worth the same amount he purchased it for in 2021. But I’m not persuaded by the evidence that it supports this. It’s also not unusual for a car’s value to depreciate over time.

I’ve considered the adverts provided by Mr A in support of his claim to see whether they’re persuasive enough for me to say that the valuation offered for Mr A’s car should be increased. Having done so, I’m not persuaded they are. I say this because some of the adverts are for newer cars. And some have substantially lower mileage and/or slightly different specifications than Mr A’s car. I’m persuaded all of these variables would have a material impact on the valuation of a car.

The valuation of a used car is not an exact science and can be challenging. I’m mindful that advertised prices are often the starting point of a negotiation, and are what the seller would like to achieve, rather than the final price the car actually sells for.

When taking everything into account, Admiral has valued Mr A’s car in line with the highest value produced by the valuation guides. And the adverts Mr A has provided haven’t persuaded me that Admiral should increase its offer. It follows that I’m satisfied Admiral has reached a fair and reasonable valuation for Mr A’s car. So, I won’t be asking Admiral to do anything in settlement of Mr A’s complaint.

### **My final decision**

For the reasons I’ve explained above, I don’t uphold Mr A’s complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 27 November 2025.

Linda Tare  
**Ombudsman**