

The complaint

Miss P complains about the way Admiral Insurance (Gibraltar) Limited has settled a claim she made on her motor insurance policy.

Miss P has been represented in bringing the complaint, but for ease, I've referred to all actions and comments as being those of Miss P.

What happened

Miss P was involved in an incident whilst driving her vehicle. Admiral said the car couldn't be repaired and so instead, she was offered a cash settlement. Admiral said, for the market value of Miss P's car, that it would pay £6,189.60 (before the excess was deducted).

Miss P complained about the amount offered, she said she couldn't replace her vehicle for that amount and thought a reasonable offer would be £9,000. Admiral didn't agree to change its position and so Miss P referred her complaint to the Financial Ombudsman Service for an independent review.

Our Investigator thought Admiral should pay £6,390 (before deducting the excess) to resolve the complaint, in line with the highest valuation returned from the motor valuation guides. He wasn't persuaded that the adverts provided by Miss P meant a valuation of £9,000 would be fair and reasonable. He also recommended Admiral pay £200 compensation for initially making a lower offer.

Admiral didn't accept that outcome, it said such a small increase shows its offer was reasonable. Miss P also didn't accept the outcome. She said she hadn't been able to replace the vehicle for the figure offered by Admiral. She also didn't think the particular features of her vehicle, such as a full-service history, had been taken into account when valuing it. As the matter wasn't resolved it came to me to decide. In October 2025 I issued a provisional decision on this complaint, I said whilst I thought Admiral should increase its offer for the market value of the vehicle, I didn't intend to require it to pay additional compensation. Provisionally I said:

"Where Admiral decides a car is a total loss, the policy terms state it will pay no more than the market value of the vehicle to settle the claim. The policy defines market value as the amount Miss P could have reasonably expected to pay to replace her vehicle based on market prices immediately before the incident that led to the vehicle being written off. It explains Admiral's assessment of the market value is based on vehicles of similar make and model, year, mileage and condition at the time of the accident.

So I've considered if Admiral's offer to settle Miss P's claim is fair and in line with these terms. When looking into these types of complaints we check valuation guides, adverts and other relevant evidence. We consider whether the insurer has made a reasonable offer in line with the evidence. We generally find the guides persuasive as they're based on nationwide research of likely selling prices, so they can be more reliable than individual adverts. But as I've said we do consider other evidence.

Admiral's starting point was £6,189.60. It used two of the guides which produced valuations of £5,989.20 and £6,390 respectively. They were also based on the relevant date of loss, age, make, model, as well as specification and mileage. Our Investigator used one other guide which returned a valuation of £6,205.

Admiral hasn't provided any adverts that suggested that it was reasonable for it to offer below the highest guide valuation. And Admiral's valuation is lower than two of the returned valuations, without anything else provided to support it being fair. So as a starting point, I'm not satisfied it has acted reasonably in offering less than what the highest guide returned. Miss P has provided two valuations in support of a valuation higher than £6,390. However, like our Investigator, I'm not persuaded the adverts show Admiral should offer £9,000 for her vehicle. She's provided one advert for £10,495, but I don't consider it to be comparable to her vehicle because the mileage on the advertised vehicle was considerably lower than hers. And the other advert was a similar car for sale for £7,750, less than the £9,000 she's requested. But importantly for me, that advert didn't show the mileage on the vehicle, so I don't know how comparable it is to her vehicle. As such it doesn't persuade me that the offer should be further increased.

I appreciate Miss P's comments, that her vehicle was the best colour for that year and that it was in immaculate and impeccable condition. I've also considered that she feels her vehicle will have gained value, given it was a chain driven engine (with newer ones being a 'wet belt' and so less reliable). But the 'colour' of the vehicle isn't something Admiral's terms say it will consider when calculating the value and there's no persuasive evidence the colour makes a difference to the value here. I also consider the motor valuation guides account for cars being in a good condition at the point of sale when they provide their valuations. And if her vehicle had increased in value owing to the chain driven engine feature, I'd also expect that to be reflected in the valuations returned by the guides.

Ultimately, it is not my role to assess the value of the vehicle, it's my role to decide whether Admiral has offered a fair amount in settlement of the claim. I don't think it has, given the valuations returned by the valuation guides and its lack of any supporting evidence supporting a lower valuation. But I haven't been persuaded by Miss P's comments or evidence that a valuation of £9,000 would be reasonable. As such, I'm satisfied Admiral should pay £6,390 (so an additional £200.40) being the top of the returned guide values, to resolve the complaint.

As Admiral has already made an interim payment to Miss P, I intend to decide it will need to add 8% simple interest onto the remaining amount to be paid (£200.40) from the date the interim payment was made, until the date of settlement.

However, I don't intend to require Admiral to pay any further compensation to Miss P, as recommended by our Investigator. I understand Admiral offering less than the highest guide will have caused frustration and worry, but Miss P has told this Service that she hasn't been able to find a suitable replacement for her vehicle since receiving her interim payment. However, I'm not persuaded, based on what she's told us, that the extra £200 I intend to award would change that.

Awarding 8% simple interest onto the added amount Admiral has to pay seems to me a fair way to account for Miss P being without that amount sooner. But it seems much of Miss P's worry and frustration has been in being unable to find a vehicle that suits her needs without a payment of around £9,000. And for the reasons set out above, I don't intend to award this figure, as such I can't say any failure of Admiral is the cause of that upset.

Neither party provided any response to my provisional findings.

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 reviewed matters again and bearing in mind neither party responded to my provisional findings, I see no reason to depart from the findings I set out provisionally. As such, those provisional findings are now that of this, my final decision.

My final decision

I direct Admiral Insurance (Gibraltar) Limited to pay Miss P a further £200.40 to resolve the complaint.

Admiral will need to add 8% simple interest* onto that amount, from the date the interim payment was made, until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 20 November 2025.

* Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require Admiral to take off tax from this interest. If asked, it must give Miss P a certificate showing how much tax it's taken off.

Michelle Henderson
Ombudsman