

The complaint

Mr J complains about the settlement he's received from Admiral Insurance (Gibraltar) Limited (Admiral) following a claim under his car insurance policy.

What happened

Mr J had a car insurance policy underwritten by Admiral. Following an accident, the insured vehicle was declared a total loss.

Mr J is unhappy with the valuation placed on the vehicle by Admiral in settlement of the claim. He says he's unable to replace the vehicle with one of a similar specification with the settlement paid by Admiral. Mr J is also unhappy with the service he received from Admiral, including that despite disagreeing with the settlement offered, Admiral paid it into his account anyway.

Admiral maintained the settlement they'd offered was fair. However, they recognised their communication via their portal had been poor and paid £50 compensation. As Mr J remained unhappy, he approached the Financial Ombudsman Service.

One of our investigators looked into things but he didn't uphold the complaint. He said the settlement Admiral had paid was reasonable, and that they had acted fairly by paying it into Mr J's account. He also thought the compensation they'd offered was fair.

Mr J didn't agree and asked for a final decision from an ombudsman.

I was minded to reach a different outcome to our investigator, so I issued a provisional decision to give both parties the opportunity to comment on my initial findings before I reached my final decision.

What I provisionally decided – and why

In my provisional decision, I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm minded to reach a different outcome to our investigator, so I'm issuing a provisional decision to give both parties the opportunity to comment on my initial findings before I reach my final decision.

Mr J's insurance policy outlines that in the event of a total loss, the most Admiral will pay is the market value of the vehicle. This is defined in the policy terms as:

"The cost of replacing your vehicle; with a similar make, model, age, mileage and condition."

Admiral offered £7,510 (before excess deduction) in settlement of Mr J's claim. When

calculating the market value, Admiral obtained the following trade guide valuations:

- *CAP £7,800*
- *Glass's £7,620*
- *Autotrader £7,110*

Admiral then calculated the market value based on the average of these three trade guide valuations.

Valuing a vehicle isn't an exact science. When considering disputes about vehicle valuations, as a starting point, we'd take into account what the different industry trade guides say the market valuation of a vehicle is. We'd also take into account any other available information. Whilst Admiral has used the average of the three guides mentioned above, this isn't the starting point of how we look at valuation complaints.

Instead, the guides we use as a starting point are CAP, Glass's, Autotrader and additionally, Percayso. And we'd consider the safest way to ensure a policyholder 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 evidence to show a valuation lower than this is fair.

Our investigator checked Percayso which Admiral hadn't taken into account. This produced a valuation of £7,690. Therefore, across the four guides, the valuations produced were:

- *CAP £7,800*
- *Percayso £7,690*
- *Glass's £7,620*
- *Autotrader £7,110*

So, Admiral's settlement of £7,510 is lower than the highest of the trade guides (and lower than three out of the four overall). As outlined, valuing a vehicle isn't an exact science. To be persuaded that a lower valuation than that produced by the highest of the trade guides is a fair reflection of the market value, I'd need to be satisfied that the evidence provided by Admiral supported that. However, Admiral hasn't provided sufficient evidence which persuades me this is the case.

Firstly, Admiral simply averaged the three guides they'd checked, but that isn't the approach of this service. Admiral also provided a table of vehicles available for sale on Autotrader at the time of the loss, which they say supports their lower valuation being fair. However, I don't agree that this supports Admiral's position. I'll explain why.

The table of adverts Admiral provided were for ten different vehicles. Of the ten, one was a lower amount than the settlement they'd offered, but nine were for a higher amount than they'd offered. Of the ten vehicles, four were manufactured in 2015, whereas Mr J's was a 2016 vehicle, and the age difference could impact the value. Of the 2016 vehicles, mileage significantly differed across them too. So, these adverts don't persuade me that Admiral's settlement offer of £7,510 is a fairer market value than the highest of the trade guides.

Based on all the available evidence and arguments, in the specific circumstances of this case, in the absence of anything demonstrating a lower amount than the highest of the trade guides is a fairer market value, I'm satisfied that a fair market value for Mr J's car is £7,800 – in line with the highest trade guide.

I also acknowledge that Mr J has provided an advert for a similar vehicle for sale, for around £400 more than the highest of the trade guides. However, this vehicle is newer than Mr J's and a single advert in isolation, for a newer vehicle, doesn't persuade me that the highest of the trade guides we use is an unfair market value for Mr J's vehicle.

Therefore, unless anything changes as a result of the responses to my provisional decision, I'll be directing Admiral to increase the settlement to £7,800. As I don't think Admiral offered a fair settlement, I also intend to direct Admiral to add 8% simple interest to the additional amount due from the date the previous payment was made to the date of payment of the remainder.

I recognise Mr J is unhappy that Admiral paid the settlement into his account when he didn't agree with it, but I don't think that's unfair overall. This would have been the minimum amount Mr J was due, and Admiral paid it on a without prejudice basis. I don't think that was unreasonable.

Admiral also paid £50 compensation for poor communication via their portal, and I don't think that's unfair for that issue in particular. However, for the reasons outlined, although not by a significant amount overall, I think Admiral did reach an unfair settlement amount. Mr J has then had to bring a complaint all the way through this service to obtain what he is reasonably due under his insurance policy in settlement of his claim, and this has caused him additional inconvenience. And unless anything changes as a result of the responses to my provisional decision, I'll be directing Admiral to pay Mr J a further £100 compensation for this."

So, I was minded to uphold the complaint and to direct Admiral to:

- Increase the total loss settlement to £7,800 (before excess deduction)
- Add 8% simple interest to the additional amount due from the date of the original payment to the date of payment of the remainder
- Pay Mr J a further £100 compensation (in addition to the £50 already paid)

The responses to my provisional decision

Admiral responded and said they accepted the provisional decision.

Mr J said he had nothing further to add beyond what he'd previously outlined to this service and reiterated that he was unhappy with the service he'd received from Admiral.

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.

And I've thought carefully about the provisional decision I reached. As neither party has provided anything in response to my provisional decision that would lead me to reach a different conclusion, my final decision remains the same as my provisional decision, and for the same reasons.

My final decision

It's my final decision that I uphold this complaint and direct Admiral Insurance (Gibraltar) Limited to:

- Increase the total loss settlement to £7,800 (before excess deduction)
- Add 8% simple interest to the additional amount due from the date of the original payment to the date of payment of the remainder
- Pay Mr J a further £100 compensation (in addition to the £50 already paid)

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 1 December 2025.

Callum Milne
Ombudsman