

The complaint

Miss B & Mr M complain about the amount Admiral Insurance (Gibraltar) Limited (“Admiral”) valued their car for following a claim under their motor insurance policy, which she says means she’s struggled to buy a replacement.

What happened

Miss B & Mr M had a motor insurance policy with Admiral covering their car.

Their car was damaged in an incident in June 2025. They contacted Admiral and made a claim.

Admiral assessed the car as being beyond economical repair and declared it a write-off. It offered them £4,384.33 to settle the claim before deduction of their excess. Miss B & Mr M complained about the valuation as they’d bought the car just three months beforehand at a price of £5,250, but Admiral wouldn’t increase it.

As Miss B & Mr M remained unhappy, they brought their complaint to this service.

Our investigator looked into her complaint and thought it would be upheld. She thought Admiral should settle Miss B & Mr M’s claim at a value of £4,509, adding interest on the balance.

Miss B & Mr M agreed with the view, but Admiral didn’t.

Because it didn’t agree with the view, this complaint has been passed to me for a final 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.

Having read the file of evidence, I’m upholding Miss B & Mr M’s complaint about the valuation of their car.

This service doesn’t provide valuations for vehicles, but looks to whether the insurer’s offer is reasonable. Our approach is to use valuation guides to establish whether an offer is fair.

I’ve carried out some research into the car and I’ve found these values for the month her car was damaged, which are based on a vehicle with the same specification and mileage:

Guide A £4,300

Guide B £4,430

Guide C £4,423

Guide D £4,509

It's this service's approach that, if an insurer wants to settle a claim lower than the highest guide valuation, then it should provide evidence why.

In its response to this service, Admiral showed adverts for similar cars, but it didn't reasonably show why Miss B & Mr M's car shouldn't be valued at £4,509.

Miss B & Mr M provided adverts showing similar cars as they thought their car should have been valued at over £5,000. I've looked at these examples and I can see that they are for a different trim specification, so I don't think I can fairly take them into consideration.

They've also told this service that their car had some additional features fitted to it. Unfortunately I've not been provided with evidence that these were fitted as standard on the car, and without this further evidence I'm afraid I can't take those into account here.

Without further evidence, I think Admiral now needs to settle Miss B & Mr M's claim at a market value aligned to the highest valuation guide, which is £4,509. Interest at 8% simple should be added to the balancing figure, from the date Admiral paid the interim payment to the date it makes this payment.

I can see from their evidence that Miss B & Mr M have been caused some distress and inconvenience by Admiral's low valuation of their car as it meant they weren't able to afford to buy a replacement for a short time. I've thought about this, and I think Admiral should pay them £100 compensation.

My final decision

My final decision is that I uphold this complaint. I direct Admiral Insurance (Gibraltar) Limited to:

- Settle Miss B & Mr M's claim at a market value of £4,509 subject to the remaining terms and conditions of the policy. Interest at 8% simple should be added to balancing amount, from the date Admiral made the initial settlement payment to her, to the date it makes this payment.*
- Pay Miss B & Mr M £100 compensation for their distress and inconvenience.

*If Admiral considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Miss B & Mr M how much it's taken off. It should also give them a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Admiral must pay the compensation within 28 days of the date on which we tell it Miss B & Mr M accept my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B and Mr M to accept or reject my decision before 3 March 2026.

Richard Sowden
Ombudsman