

The complaint

Miss M has complained about Admiral Insurance (Gibraltar) Limited. She isn't happy about the valuation of her car after it was deemed a total loss following a claim under her motor insurance policy.

What happened

Admiral looked to value Miss M's car after it was written off by looking at a number of the various motor valuation guides in order to gauge the market value of her car. Having done so it offered around £16,409 as a market value of her car. But Miss M wasn't happy about this, especially as she paid a few thousand pounds more for the car, so she complained to this Service.

Our Investigator looked into things for Miss M but didn't uphold her complaint. She looked at the available motor valuation guides for Miss M's car from around the time of claim and the valuations found by Admiral and thought its offer was in line with the valuations found. So, she didn't think that Admiral had done anything wrong here.

As Miss M didn't agree the matter has been passed to me for review.

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 done so, I have a great deal of sympathy for Miss M as she bought her car for a few thousand more than Admiral suggested was the market value of her car. But I don't think it acted unreasonably here. I'll explain why.

This Service has an approach to valuation cases like Miss M's which has evolved in recent times. When looking at the valuation placed on a car by an insurance company, I consider the approach they have adopted. And decide whether the valuation is fair in all the circumstances.

It isn't the role of this Service to come to an exact valuation of a consumer's car. But we do look to see if insurers have acted reasonably in looking to offer a fair market value of the car in line with the policy terms and conditions. I pay attention to the various motor valuation guides used for valuing cars. And I look at any other evidence provided by both sides, such as advertisements or details about the condition of the car.

Valuing second-hand cars is far from an exact science and it isn't my role to value Miss M's car. I'm just looking to see if Admiral has acted reasonably in providing a fair market value of her car and, overall, I think its valuation was fair.

Ultimately, the policy requires Admiral to compensate Miss M, the policyholder, for the market value of her car. The policy defines market value as '*The cost of replacing your vehicle; with a similar make, model, age, mileage and condition.*'

In assessing what constitutes a fair value we generally expect insurers to review relevant guides to motor valuations – which is also our starting point for most valuation complaints. And I've looked at the available guides to assess whether Admiral's offer is fair and reasonable. I have reviewed the various guides that were available, which gave values

ranging between £16,200 and £16,600. And looking at the valuations produced by the guides, I can understand why Admiral made its offer as it is close to the guides and the highest produced.

However, the difficulty here is that Miss M bought the car for a few thousand pounds more just over a month before her car was written off. And Miss M has provided some evidence of cars for sale around this price as well. But this was only for two adverts which is a very small sample as opposed to the significant amount of data encompassed in the valuation tools and the fact that adverts are often negotiated down so I don't find this persuasive.

So, although I accept that Miss M paid a lot more than the market value Admiral offered a short while before I don't think its offer is unfair. It is possible that Miss M paid more than the market value when she bought the car and I can't hold Admiral responsible for that. And I've looked at the market now and it does appear that the value of a car like Miss M's has generally depreciated.

Overall, I think Admiral has offered a fair market value for Miss M's car. I know this will be disappointing to Miss M who paid more a relatively short time before she made her claim, but I think its offer of around £16,400 is a fair market value.

My final decision

It follows, for the reasons given above, that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 5 January 2026.

Colin Keegan
Ombudsman