

## The complaint

Mrs A complained about Admiral Insurance (Gibraltar) Limited's valuation of her car under her motor insurance policy.

## What happened

Mrs A's car was in an accident, and Admiral decided that it was beyond economic repair. So they offered her £14,980 for its market value.

Mrs A said this wasn't enough and she couldn't buy a like for like car with that. She also complained that Admiral didn't take into account her car's special seats. And she said Admiral had at first offered her about £21,000, a much higher amount. Admiral apologised and said that had been a mistake and offered her £100 compensation for that. But they wouldn't increase their final offer. They considered that it was fair.

The investigator didn't recommend that the complaint be upheld. He thought that Admiral had valued the car fairly and reasonably and in line with this Service's guidance. Mrs A didn't agree and so I've been asked to decide.

Mrs A's complaint was brought to us by her husband, but for ease I'll refer to Mrs A as she is the policyholder.

## 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.

The investigator has explained to Mrs A our approach regarding complaints about car valuations, but I'll recap. We don't decide what the market value of a car is; we merely consider whether the insurer has reached a fair and reasonable amount on the available evidence. We first look at if the insurer ran the motor trade valuation guides correctly at the time of the claim and what values those guides show. If the guides are in agreement with each other and the insurer has valued the vehicle in line with them, we're likely to say it's fair. Where they produce a wide range of values, if the insurer's valuation isn't close to the highest, we'll look to see if it's supported by other evidence.

What's considered fair will depend on the individual circumstances of the case and we will consider any engineer's reports, expert opinions, and adverts as additional evidence. We expect an insurer to show their valuation is enough to enable their policyholder to purchase a like for like replacement vehicle. If it doesn't, we're likely to direct it to pay the value produced by the highest guide to avoid any consumer detriment.

Mrs A's policy says that *"Market value" is "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."*

Admiral offered Mrs A £14,980 for her car's market value, less policy excess. Mrs A thought her car was worth more than that and Admiral had raised her expectations by at first offering £21,000. Admiral agreed they did offer that at first but apologised and said it was a mistake and paid her compensation of £100.

I don't think that Admiral did make Mrs A a promise of that higher amount, or that they've gone back on it. Instead Admiral made a human error. They apologised for that and clarified within a reasonable time. And anyway I've not been shown that Mrs A acted on reliance on that mistaken offer to her detriment so it would not be fair to hold Admiral to that mistaken amount. It was a very short period of raising and lowering of Mrs A's expectations as to how much her car was worth before Admiral clarified. So I think compensation of £100 for this does reasonably reflect the inconvenience caused by that and it is fair.

Admiral have shown that they did use the motor trade guides to decide market value. The investigator checked against the guides. As he explained, the guides provided valuations of £12,650, £14,660, £14,708 and £15,330.

Because Admiral offered Mrs A close to the highest of those amounts, I think they acted fairly and valued Mrs A's car in accordance with our guidance, which should allow the purchase of a replacement vehicle in line with the policy terms. That means I think that Admiral paid Mrs A a reasonable valuation.

Mrs A showed us an advert for a car which she said justified a higher value. But I don't think it is like for like. It had a much lower mileage than Mrs A's car had, and that is likely to impact value. I'm also not persuaded that the sport car seats change the value. This is because we don't generally think that optional extras such as this do increase the value of a car.

I do appreciate that Mrs A had been experiencing a difficult time health wise. And so having her car being declared beyond economic repair was likely to be an inconvenience she could have done without. But I can only look at Admiral's actions here. I think that Admiral did pay the market value within a reasonable time after the accident and that overall, both the car valuation amount and the compensation Admiral paid were fair and reasonable. This means that I don't ask them to do anything else.

### **My final decision**

For the reasons given above, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 5 March 2026.



Rosslyn Scott  
**Ombudsman**