

## The complaint

Mr S complains about Admiral Insurance (Gibraltar) Limited (“AIL”) and the settlement amount he’s received for his van, following its total loss.

## What happened

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, Mr S held a van insurance policy, underwritten by AIL, when he was involved in a non-fault road traffic accident. So, he contacted AIL to make a claim.

Due to the extent of the damage his van sustained, it was deemed a total loss. And AIL paid Mr S a settlement amount, based on his van’s pre-accident value. But Mr S was unhappy with this as he felt the payment didn’t allow him to purchase a replacement of a similar make and model with similar mileage. So, he raised a complaint about this and the fact his hire van needed to be off hired.

AIL responded to the complaint and upheld it in part. They explained why the hire van needed to be returned, as a payment had been made to him, in line with industry approach. But they accepted their original settlement payment had been calculated using the wrong mileage. So, they increased the value of the settlement by £165, applying 8% interest to this amount as well as paying Mr S £75 compensation. Mr S remained unhappy with the increased settlement amount, so he referred his complaint to us.

Our investigator looked into the complaint and upheld it, over two separate outcomes. Both parties have had sight of these, so I won’t be recounting them in detail. But to summarise, our investigator upheld Mr S’ complaint.

Initially, they recommended AIL increase their settlement to the highest of the trade guides alongside 8% simple interest and pay Mr S a further £125 compensation. And AIL accepted this recommendation.

But Mr S didn’t, providing more recent adverts he felt supported his position. Our investigator considered these, alongside recent adverts they found themselves, and recommended AIL increase the settlement to £14,000. But AIL didn’t agree, explaining why they didn’t feel it was fair, or in line with our services approach, to rely on adverts that were listed several months after the actual date of loss. So, they maintained they were willing to accept the previous recommendations. As AIL didn’t agree, the complaint was passed to me for a decision.

I issued my provisional decision on 5 February 2026, where I set out my intention to uphold the complaint but directing AIL to do something differently to the final outcome put forward by our investigator. Within that 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.”*

*Having done so, it's my intention to uphold the complaint. But what I intend to direct AIL to do differs from the most recent recommendation put forward by our investigator. I've focused my comments on what I think is relevant, in line with our services informal approach. So, if I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.*

*I note AIL accepted our investigators initial recommendation that they should increase the settlement payment made to Mr S to £11,427, which represented the highest trade guide valuation. And, that they should compensate Mr S for the fact they failed to pay this amount themselves when they should have. As this has been accepted by AIL, I'm satisfied it's not in dispute that AIL acted unfairly when valuing Mr S' van initially. So, I don't intend to discuss the merits of this issue in any further detail, and I will return to this point when discussing what I intend to direct AIL to do to put things right.*

*I note Mr S' complaint to AIL also set out why he felt AIL were unfair to remove his hire van, after a settlement payment had been made. But I note Mr S' claim was made on a non-fault basis, with his excess being returned to him. In this situation, any costs incurred on the claim were being recouped from the at fault third-party. So, in this situation, there is an industry expectation that an insurer such as AIL would mitigate their costs. And as part of this, it's standard industry approach for hire to be removed within a week of a settlement payment being received, even if the amount was in dispute. So, I don't intend to uphold this aspect of Mr S' complaint.*

*Putting things right*

*I note it is what AIL should do to put things right regarding the settlement amount that ultimately remains in dispute in this situation. So, I've considered all the evidence and information supplied by both parties at length, alongside our services approach.*

*I want to be clear that our services established approach expects an insurer such as AIL to pay the highest trade guide valuation obtained, unless there is persuasive evidence to suggest another amount should be paid. In this situation, I'm satisfied the highest trade guide valuation obtained around the date of loss was £11,427. So, this is the amount I would have expected AIL to pay, unless either party has provided suitable evidence to challenge it.*

*In this situation, Mr S has provided several adverts he's obtained he feels supports a higher valuation. I note some of these were comparable to his van, while others weren't. Alongside this, our investigator sought their own adverts to consider Mr S' position.*

*And ultimately, they found these adverts to be persuasive enough to recommend an increase to the settlement above the highest trade guide valuation.*

*But I note AIL disputed this, explaining the adverts relied upon had been found several months after the date of loss. And they didn't feel relying on these fell in line with our services usual approach.*

*To be clear, our service does consider adverts provided by customers to support an increase in settlement. But crucially, we must also consider when these adverts were obtained, as vehicle prices fluctuate continuously. And, a motor insurance policy is usually designed to pay a customer the value of their vehicle at the date of loss, not several months later, which I'm satisfied is the case on this occasion.*

*In this situation, the adverts provided and relied upon by our investigator and Mr S were*

*obtained several months after the date of loss. And our service's approach states that in this situation, we wouldn't usually deem adverts obtained so long after the date of loss to be persuasive. So, I'm not satisfied these should lead me to deviate away from the highest trade guide price.*

*But I recognise Mr S feels strongly in his position. So, to be fair, I've considered what other information I could obtain to fairly consider this position. And when doing so, I searched the highest trade guide database to review the prices of sold vans of the same make and model, with similar mileage, to Mr S' around the time his van was deemed a total loss. And having done so, the prices I viewed satisfied me that the highest trade guide valuation of £11,427 ought to have allowed Mr S to purchase a replacement van of a similar make, model and mileage. So, I intend to direct AIL to pay the difference between this amount, and the amount he has received so far, which equates to £358. And to recognise the time Mr S has been without access to these funds unfairly, AIL should pay 8% simple interest on this amount, from 2 May 2025, the date they made their first offer.*

*In addition to this, I also intend to direct AIL to pay a further compensatory payment of £125, taking the total compensation paid to Mr S to £200. I'm satisfied this payment fairly recognises the fact that AIL failed to pay Mr S a fair and reasonable settlement amount on two separate occasions. And the inconvenience and frustration this will have caused him, considering his need to raise disputes and ultimately contact our service.*

*But I'm satisfied it also fairly takes into consideration that the increase to the settlement amount overall is a small one. So, I can't be satisfied this would ultimately have changed Mr S' feelings on the matter, or his belief that it wasn't enough to purchase a replacement. So, based on the balance of probability, I'm satisfied Mr S would still likely remain in the same position he's outlined regarding what he feels represents loss of earnings.*

*I understand this is unlikely to be the outcome Mr S was hoping for. And I recognise it represents a significant change to our investigators last recommendation. I want to reassure Mr S I've thought about the ramifications of this to him at length. But my decision must be made fairly, based on the evidence that's been provided and crucially, in line with our services approach. And this is why I intend to direct AIL to take the actions outlined above, and again below."*

## **Responses**

AIL accepted my provisional decision. But Mr S didn't, providing several comments setting out why. To summarise, Mr S felt the settlement paid by AIL was based on trade prices, meaning this wasn't enough to purchase a replacement from a seller who was looking to sell for profit.

He also felt he had provided adverts at the time the settlement was made, and challenged, which he felt supported his position. He also set out his belief that the adverts that had been provided some time later showed that a replacement still wasn't able to be purchased for the settlement he received and considering depreciation, he felt this further supported his belief the settlement should be increased by more than the amount I intended to direct. Finally, he reiterated how the situation had impacted him financially.

## **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 won't be changing my original conclusions and so, I'm upholding Mr S'

complaint for the same reasons already outlined in my provisional decision, which is copied above.

I note it's accepted by both parties that AIL acted unfairly and that the settlement they paid should be increased. So, I won't be talking to this point again. And the reasoning for my provisional decision is laid out above, so I won't be repeating it. Instead, I will focus on the comments Mr S has provided to my provisional decision to explain why this hasn't changed the decision I've reached.

I note Mr S has spoken to the use of trade guides, and how this hasn't provided a valuation he feels allows him to purchase a replacement van of a similar make and model. But it is standard industry approach for all insurers to calculate a pre-accident value using these trade guides, to ensure all customers are treated fairly and equally. So, I'm satisfied it's fair and reasonable to calculate the correct and fair settlement based on the values these guides provide.

As I've already set out within my provisional decision, our service expects an insurer to pay the highest trade guide valuation obtained, unless this is persuasive and appropriate evidence to suggest a higher, or lower, amount should be paid. This evidence is usually by way of adverts of vehicles that are crucially of a similar, make, model and mileage.

I note Mr S did provide adverts at the time of AIL's first offer. But from the evidence I've seen, I've not been persuaded these adverts were of replacements of a similar, make, model and mileage. And as I laid out within my provisional decision, replacements that did meet these criteria found by our investigator and Mr S were sought a significant amount of time after the incident occurred.

While I note Mr S feels these adverts should support his position, as he feels they show suitable replacement vehicles haven't depreciated in value, ultimately vehicle prices can fluctuate dependent on the market. So, there is no guarantee that vehicle prices will fall in time. This is why trade guides are used as they consider the market value of a vehicle at the time of the incident, which is what AIL were obligated to pay under the terms and conditions of the policy.

As explained within my provisional decision, I sought evidence of the values of vans that were of a similar, make, model and mileage to Mr S' own that were sold around the time of his incident. And having done so, I'm satisfied the highest trade guide valuation ought to have allowed Mr S to purchase a suitable replacement. So, this value of £11,427 is one I'm directing AIL to pay. I will talk to the directions and awards I am making in the section below.

### **Putting things right**

The difference between this highest trade guide valuation and the settlement Mr S received so far, is £358 and so, this is an amount I'm directing AIL to pay, plus 8% simple interest from 2 May 2025 to the date of payment, to recognise the time Mr S has been without access to these funds.

And to recognise the inconvenience Mr S has been caused by AIL's failure, outlined within my provisional decision, I'm directing AIL to pay Mr S an additional £125 compensation.

I want to be clear that I have thought carefully about the financial impact Mr S has been caused by the situation, which he outlined again in response to my provisional decision. But I'm satisfied the directions laid out above compensate Mr S appropriately, in line with our services approach.

## **My final decision**

For the reasons outlined above, I uphold Mr S' complaint about Admiral Insurance (Gibraltar) Limited and I direct them to take the following action:

- Pay Mr S an additional settlement amount of £358, to ensure he receives a settlement equivalent to the highest trade guide valuation obtained;
- Pay Mr S 8% simple interest on this amount from 2 May 2025 to the date of payment; and
- Pay Mr S an additional £125 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 March 2026.

Josh Haskey  
**Ombudsman**