

complaint

Mr and Mrs C complain about Admiral Insurance Company Limited's ("Admiral") valuation of their car after they claimed on their motor insurance policy.

background

Mr and Mrs C claimed after their car was stolen. Admiral offered them a settlement figure of £17,740, for their car's market value when it was stolen.

Mr and Mrs C were unhappy with this – they said that at that price, they can't replace the car with one of similar quality and age.

Admiral said £17,740 was at the higher end of the values given in the motor trade guides for used cars. So it thought its settlement was fair.

Having checked the trade guides – the investigator agreed. Mr and Mrs C remain unhappy, so the case has been passed to me to give a final decision.

my findings

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 think Admiral's valuation of £17,740 is fair.

Mr and Mrs C's policy says, in the event that a car is stolen, the most it will pay is the market value of their car. Their policy defines "*market value*" as:

*"The cost of replacing **your car**, with one of a similar make, model, year, mileage and condition based on market prices at the time of the loss."*

Valuing a used car isn't an exact science. Over the years, we've found that the most reliable evidence is usually motor trade guides such as Glass's, CAP and Parker's. That's because they're based on extensive nationwide research of what cars actually sell for, not advertised prices.

Mr and Mrs C think we should do more to research the current market, as this is historic purchase data. But the guides are frequently updated – so they're able to give a value for when the car was stolen, which is what the policy covers. And to be clear, neither Admiral nor I have used the printed guides here, which I understand differ slightly from the online updated versions.

I've also thought about what Mr and Mrs C say about the particular specification of the car. When searching the guides, I used the registration number of Mr and Mrs C's car. So I'm satisfied the valuations took into account that the car is a special edition.

Mr and Mrs C also say you can't get the paint they had on their car anymore. I realise some people might be attracted to a car because of that. But colour or finish are often a matter of subjective taste – and don't necessarily add to value. So it doesn't change my mind that Admiral's valuation is fair.

I know Mr and Mrs C feel strongly about this. That's understandable – it must've been awful to find their car was stolen. And I know they've had to buy a different car, because they couldn't find a similar replacement.

But in my mind, they've not provided any evidence that's more comprehensive or persuasive than the guides in giving a likely selling price. And I can't ignore that Admiral has offered the very highest guide figure – so it's given Mr and Mrs C the benefit of the doubt.

In saying this, I believe Mr and Mrs C that there are adverts which are asking for quite a bit more than what they've been given. But I can't say it'd be fair for Admiral to pay for what people want to sell their cars for – because that's not the risk it's been paid to cover.

I realise Mr and Mrs C may feel I've been too rigid in my approach. But in the circumstances, I think Admiral has approached this in the fairest way. So I won't be asking it to do anything more.

my final decision

For the reasons set out above, I don't uphold Mr and Mrs C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs C to accept or reject my decision before 25 September 2017.

Emma Szkolar
ombudsman