

complaint

Mr D is unhappy with Admiral Insurance Company Limited's valuation of his car in a claim on his motor insurance policy.

background

Mr D was involved in an incident. Admiral said his car was beyond economical repair. It was declared a total loss. Admiral's now offered to pay Mr D £13,815 for it. But he says this isn't enough. He'd like £14,666. He's also unhappy that Admiral's first offer was for a lower figure. He thinks its calculations weren't correct.

Admiral's said it originally valued the car at £12,330. But it increased its offer after negotiations not because the calculation was incorrect.

Our adjudicator recommended that the complaint shouldn't be upheld. He explained that Admiral hadn't done anything wrong. Its valuation and offer to Mr D were fair. When taking out the policy Mr D had said he thought the car was worth £13,595. Mr D now said he wanted £14,666 based on adverts he'd seen online. But as the policy didn't have an agreed value, if the car was written off he'd receive the market value for it. The highest market value for the car the adjudicator had found in the motor trade guides was £11,725. So, Admiral's offer of £13,815 was fair.

Mr D doesn't agree and has asked for an ombudsman review.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I agree with the adjudicator's conclusions for broadly the same reasons.

Mr D's motor insurance policy says Admiral will settle the claim by paying him the market value of his car at the time of loss.

We don't calculate a precise valuation of a car. We consider whether a reasonable offer has been made. We look at the various motor trade guides. They're figures are based on nationwide research and actual sales figures. We'll also look at any other evidence produced including adverts. I place most weight on the values in the main trade guides as they're based on actual selling prices rather than advertised prices, which allow a margin for negotiation.

Mr D says online adverts show the car should be valued at £14,666. But I don't think these advertised prices are likely to represent the actual sale prices achieved.

Admiral's offer of £13,815 is considerably higher than the highest market value in the main trade guides. And I haven't seen any evidence which justifies a higher valuation than that in the guides.

So, although I'm aware of Mr D's frustration, I don't think I can reasonably require Admiral to increase its valuation. I think its settlement offer of £13,815 is fair and reasonable.

my final decision

For the reasons I've discussed above my decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 9 November 2015.

Stephen Cooper
ombudsman