

The complaint

Mr P complains that Admiral Insurance (Gibraltar) Limited provided poor service and offered an unfair settlement following his claim on his car insurance.

What happened

Mr P had car insurance with Admiral. In September 2022 he made a claim following an incident that resulted in the total loss of his vehicle. Admiral accepted the claim and said the vehicle was a total loss so it would pay the market value of the car. It offered £3,300 as settlement.

However Mr P said this wasn't enough to replace it with a similar vehicle. He was also unhappy with the service he'd received as he'd waited in for the car to be collected when it wasn't and he'd had to wait on hold for a long time when he called Admiral.

He made a complaint and Admiral accepted it had provided poor service. It offered a total of £190 compensation for this. But it said its valuation was based on trade guide prices and was a fair offer.

Mr P didn't agree and brought his complaint to this service. Our investigator didn't recommend it be upheld as he thought the offer made by Admiral was fair and in line with the policy terms and conditions.

Unhappy with this, Mr P asked for the complaint to be reviewed by an ombudsman.

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.

It isn't the role of this service to value vehicles. Instead we look to see how an insurer has reached its valuation in order to determine if it has acted fairly and reasonably and in line with the policy.

Admiral has provided quotes from trade guides it used to make an assessment of the value of Mr P's car. This service considers these to be the most reliable guide for the market value of cars, because the quotes are based on likely sales achieved, not just advertised prices.

I have considered these valuations, alongside valuations I carried out myself using the trade guides. And I'm satisfied that the value of £3,300 is at the higher range of these valuations. So I don't think Admiral has provided an unfair valuation.

Mr P has said he's seen vehicles similar to his own for sale, that are advertised at higher prices. And that he's recently carried out work and replaced parts of the car that should be taken into account. While I can understand Mr P's frustration that the settlement won't be enough to purchase these cars, and that the money spent on the car was wasted, I don't agree this means Admiral has offered an unfair amount.

Trade guides base their values on the exact details of Mr P's car at the time it was written off. This includes the date of manufacture and the mileage at the time. Whereas this isn't something that can be reflected in adverts. Also, trade guides base their valuations on prices that cars were sold at and not just the price they are advertised for. And while Mr P has recently spent money on the vehicle, this doesn't necessarily mean the value of the car would be impacted. So I don't agree Admiral should change its valuation based on this.

For these reasons I'm satisfied that Admiral has reached its valuation fairly and reasonably by relying on trade guides

I've also considered what Mr P has said about the service he has received from Admiral. I agree it caused him inconvenience when its agent agreed to collect the car on a date, and then didn't show up. And I can see he's had to contact Admiral more than I'd expect. So I agree compensation is due. Admiral has already offered a total of £190 compensation and this is in line with what I would have offered if it hadn't. So I think this is fair in the circumstances.

My final decision

For the reasons I've given, I don't uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 2 August 2023.

Sophie Goodyear
Ombudsman