

The complaint

Mr R complains about the value Admiral Insurance (Gibraltar) Limited (“Admiral”) gave him for his car following a claim under his motor insurance policy. Mr R is represented in his complaint, but for ease I’ll refer to him throughout.

What happened

Mr R had a motor insurance policy with Admiral covering his car.

His car was damaged. Admiral assessed his car as being beyond economic repair. It said it would declare it a write-off and assessed its market value as £30,000.

Mr R didn’t agree with this valuation, and he complained to Admiral.

Admiral said it’d used trade guides to arrive at a value for the car and it said it wouldn’t increase this amount.

Mr R remained unhappy with Admiral’s valuation and brought his complaint to this service. He asked for the value of his car to be increased by up to £15,000.

Our investigator looked into his complaint and didn’t think it would be upheld. She looked at the trade guides and said the amount offered by Admiral was in line with the approach taken by this service.

Mr R didn’t agree with the view and asks that his complaint was reviewed by an ombudsman, so it has been passed to me for a final decision.

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 read the file of evidence about the valuation of Mr R’s car, I’m not going to uphold his complaint. I appreciate this will come as a disappointment to him and I’ll explain why.

I’ve said above about how Admiral arrived at the valuation of Mr R’s car. Its approach fits with this service’s approach to car valuations. We don’t provide valuations for vehicles, but look to whether the insurer’s offer is reasonable.

I’ve done some research into the value of Mr R’s car and I’ve found these results, provided by different trade guides, for the month his car was damaged, which are based on a vehicle with the same specification and mileage:

Trade guide A: £30,590

Trade guide B: £29,886

Trade guide C: £31,180

It's important I say that Mr R's car is a fairly rare model. What that means is there are relatively few comparable cars. But because the marketplace is quite small, it also tends to mean that cars with a relatively higher mileage often are at a lower value. And I hope Mr R won't mind me saying that his car was one of these particular examples.

I can see Mr R has provided this service with a range of examples of cars on the market he says prove his car was worth more than Admiral said. But having looked at his examples, I can see that in almost all of them, the mileage was lower or much lower than his. Looking at the trade guides and other markets, I can see that examples matched closer to his do have asking prices much lower than he's expecting.

Mr R also mentions that his car had recently had an expensive service before it was written-off. Routine maintenance isn't a consideration in vehicle valuation cases as the insurer will expect this to be carried out according to the manufacturer's requirements. If the maintenance is not done, then it's reasonable to expect a car's valuation to be lower than market to account for the reduction in value.

Mr R also points out that "*actual forecourt values do not correlate to the trade price guides used*". Unfortunately, actual selling prices of cars don't necessarily correlate to the asking prices on forecourts either – which is why this service uses the trade guides as the basis of our approach.

I've looked at Admiral's valuation of his car and I can see it has offered him a value in the range of values listed above. We'd normally agree the insurer's valuation is fair if it is in the range of the guides.

It follows that I think Admiral's offer of £30,000 for his car value, and the approach it has taken, is fair and reasonable.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 6 December 2023.

Richard Sowden
Ombudsman