

The complaint

Mrs D complains Admiral Insurance (Gibraltar) Limited hasn't offered a fair value for her car following an accident which led to it being written off.

Mrs D is represented by Mr D in this matter. For ease, I've referred to Mrs D throughout this decision.

What happened

The details of the claim are well known to both parties, so I won't repeat them again here. Instead, I'll summarise the background and focus on the reasons for my decision.

Mrs D insured her car with Admiral under a motor insurance policy. Mrs D was the policy holder and Mr D a named driver under the policy.

In January 2023, Mrs D was involved in a car accident. The car was subsequently deemed the car to be a total loss. After communicating about the valuation and Mrs D raising a complaint, Admiral ultimately offered £4,353 to settle the claim, less the cost of pre accident damage of £50.

Mrs D wasn't happy, so she complained about the valuation and service provided. Admiral didn't uphold Mrs D's complaint and paid Mrs D the amount it offered for the car plus 8% interest as it felt it should've sent this payment to Mrs D sooner even though the valuation wasn't accepted.

Mrs D brought her complaint to our service for an independent review. An Investigator at this service looked into matters and thought the offer made by Admiral was fair as it was within the range of values given by the motor trade guides used by this service and the engineer's valuation.

Mrs D didn't agree. She named two online car sellers who specify they don't offer negotiations on the listed price and therefore says this service should consider adverts as persuasive evidence of value. Further, Mrs D explains she's out of pocket by £3,000, doesn't have a car and has been put to significant inconvenience – all she's seeking is a value which gives her a like for like replacement.

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.

I recognise I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every single point made by the parties involved. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this and it reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I've given careful consideration to all of the submissions made

before arriving at my decision and I'm satisfied I don't need to comment on every individual argument to be able to reach what I consider to be a fair outcome.

Having done so, I must explain to Mrs D I consider the Investigator reached a fair outcome in this matter. So, I won't be asking Admiral to do anything to put things right.

It may be helpful to explain that my role isn't to give an exact value of Mrs D's car. Instead, my role is to decide whether Admiral has applied the policy terms and conditions when reaching its market value and whether it has done so in a fair and reasonable way. Based on what I've seen, I think it has. I'll explain why below.

Where a car has been damaged, it's usual for the insurer to pay the consumer the market value of the vehicle. The policy defines the market value as follows.

'The cost of replacing your vehicle; with one of a similar make, model, year, mileage and condition based on market prices immediately before the loss happened. Use of the term 'market' refers to where your vehicle was purchased. This value is based on research from industry recognised motor trade guides.'

This means Admiral will pay the value of the car immediately before the accident which, here, it has ultimately determined to be £4,353. Admiral referred to the trade guides to obtain a value for the car and an engineer's report. The guides gave different figures, which isn't unusual. We use a similar approach and the same trade guides to help decide if a settlement offer is fair when valuing second-hand vehicles. And we generally find the valuations given in these guides to be most persuasive.

I can see the motor trade guides used by Admiral were for cars of the same make, model, age, condition and mileage as Mrs D's at the date of its loss. I also note the Investigator obtained two further motor trade guide valuations for Mrs D's car.

Taking all these guides and the engineer's valuation together, I can see they range from £4,120 to £4,705. And Admiral's offer was within this range of valuations.

I am aware Mrs D says a similar car will cost an additional £3,000-£4,000 to replace and she refers to adverts found online in support of this which our service should consider. But I note the valuations obtained (including an engineer's valuation) are similar. I'm also aware of adverts I've seen for similar vehicles, all of which are below or in the region of the amount offered to Mrs D. So, having thought carefully about this, I'm not persuaded the evidence shows Admiral's offer wasn't a fair one.

In summary, I'm satisfied Admiral's offer for the market value of Mrs D's car at the time directly before the loss was fair, according to the terms and conditions of the policy and our approach to complaints like this. It follows that I don't require Admiral to increase this.

I'm sorry to disappoint Mrs D but this ends what we – in trying to resolve her dispute with Admiral about the valuation of her car – can do for her.

As I am aware the Investigator has discussed with Mrs D, any other issues arising would need to be raised with Admiral (or the appropriate party), setting out the specific issue(s) complained about and giving it an opportunity to investigate the complaint in the first instance, if this hasn't already been done.

My final decision

For the reasons set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 15 November 2023.

Rebecca Ellis
Ombudsman