

The complaint

Mr F complains about how Admiral Insurance (Gibraltar) Limited settled a claim he made on his motor insurance policy.

Reference to Admiral, where appropriate, includes its agents.

What happened

Mr F holds a motor insurance policy with Admiral. Following an accident, he made a claim for the damage. Admiral accepted the claim and said it was uneconomical to repair, so it deemed the car what is called a total loss and wrote it off.

To settle Mr F's claim, it offered him £5,995 minus any policy excess. It said this represented the market value of his car – the most it was required to pay for his claim.

Mr F wasn't happy about this and complained. He's not happy with the decision to write his car off and not repair it. He's not happy with the quoted repair costs either and thinks these are too low and based on second hand parts – he thinks the actual cost to repair the car is much higher. And he's not happy with the settlement he's been offered and thinks it's not enough to allow him to buy a replacement vehicle.

Admiral didn't change its stance, so, Mr F brought his complaint to us.

Our Investigator didn't recommend it be upheld. She thought Admiral's decision to write off Mr F's car was a reasonable one. And she was satisfied its settlement offer was fair.

Mr F didn't agree and asked for an Ombudsman's 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 done so, I'm not upholding it. I'll explain why.

- Mr F's policy with Admiral says when Mr F's car is damaged, Admiral will decide how to deal with his claim. It says it will either pay to repair Mr F's vehicle or pay him a cash sum to replace it. This is a standard term in most motor insurance policies.
- The policy goes on to say the most it will pay for any claim is the market value of Mr F's car. The policy defines market value as *"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."*
- In line with Mr F's policy it's ultimately Admiral's decision whether it repairs his car or

not. I've considered whether its decision to not do so in this case was fair. And I'm satisfied it was. The cost of the repairs were roughly 70% of what Mr F's car was deemed to be worth. And this estimate was subject to no further damage being found on further inspection. Any further damage would increase the cost to repair. Because of this I'm satisfied Admiral's decision to write it off on the basis it was uneconomical to repair was a reasonable one.

- I understand Mr F disputes these repair costs and thinks in reality it would cost him much more to repair the car to an acceptable standard. That may be the case, but I'm not persuaded that these costs are too low. And even if they were, this would simply further strengthen Admiral's decision to write the car off as being uneconomical to repair.
- I understand too that Mr F wasn't happy with the amount Admiral said they'd deduct if he wanted to keep the car and repair it himself. He's said there's no way he could have repaired the car with what was left. But this too is further explanation of why Admiral wrote his car off on the basis that it was uneconomical to repair.
- Turning to the market value of Mr F's car. Our starting point would normally be to see where Admiral's offer sat in relation to a number of industry recognised trade guides. But in this case, none were able to value Mr F's car due to its rarity.
- So, I've considered what other evidence Admiral used to value Mr F's car. And I've seen it appointed an independent assessor. That assessor looked at adverts available, along with those provided by Mr F and recommended Mr F's car be valued at £5,995. I've not been provided any other persuasive evidence to indicate that value is inaccurate and unfair.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 22 March 2024.

Joe Thornley
Ombudsman