

The complaint

Mr H complains about the amount Admiral Insurance (Gibraltar) Limited (“Admiral”) valued his vehicle for when it was stolen.

What happened

Mr H had a motor insurance policy with Admiral covering his car. The car was an older version of a model which has been sold in many different versions. He’d owned it for about 20 years.

In March 2021 it was stolen from a third-party premises where Mr H had taken it for some work to be carried out.

The car wasn’t recovered.

Mr H contacted Admiral and made a claim. Admiral offered him £6,300 as the market value.

Mr H said he’d originally insured his car for a market value of £30,000 with Admiral.

Admiral wouldn’t change its valuation so Mr H brought his complaint to this service.

Our investigator looked into it and thought it would be upheld. Examples of the exact make and model of the car are rare, but he was able to find two similar examples and arrived at a market value of £12,000.

Mr H agreed with the valuation but Admiral didn’t.

Because it didn’t agree, this complaint 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.

I’m upholding Mr H’s complaint and I’ll explain why.

I’ve read Admiral’s file of evidence about how it arrived at its proposed valuation of £6,300. I can see that when its independent valuer searched the adverts applicable to the appropriate timeframe of the loss (March 2021), they found adverts for the same make and model of car, but vastly different in specification and kit.

The valuer’s comparable examples were for a short-wheelbase version of the car, and fitted out as a van in the rear, when Mr H’s version was a longer wheelbase and fitted with seats throughout and windows.

Admiral used its examples as the key reasons why it didn’t agree with our investigator’s valuation, but an examination of values at the time of writing shows the asking prices of the type of car researched by Admiral’s expert are about £5,000-£7,000 different from the asking

prices of a car with similar specifications of Mr H's.

It follows that I don't think Admiral's valuation is fair, and I don't find its assertion that its expert arrived at an accurate valuation to be useful, given that the expert used a vastly different version of the car as their basis for the valuation.

This service's usual approach is to use trade guides to arrive at a valuation, but in this case the car is so old that data doesn't exist. Instead I've looked at relevant adverts and a statement from a specialist dealer who's said they thought the car was worth a minimum of £12,000.

I can see Mr H has already accepted this valuation and looking at the evidence I have I think that's fair.

My final decision

My final decision is that I uphold this complaint. I direct Admiral Insurance (Gibraltar) Limited to settle Mr H's claim at a market value of £12,000 subject to the remaining terms and conditions of the policy.

Interest at 8% simple should also be paid on the difference between the earlier settlement figure and this amount, from the date the earlier payment was made to the date this payment is made. If interim payments have been made these can be deducted.

If Admiral Insurance (Gibraltar) Limited considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr H how much it's taken off. It should also give Mr H a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 May 2024.

Richard Sowden
Ombudsman