

## **The complaint**

Mr A was unhappy with the cash settlement paid by Admiral Insurance (Gibraltar) Limited ("Admiral") for his stolen car under his motor insurance policy. He was also disappointed Admiral didn't cover the damage caused to his property during the theft.

## **What happened**

Mr A bought a car for £38,000. Unfortunately, two days later it was stolen from his drive. The gates to his drive were also damaged during the theft.

Admiral said the policy didn't cover the damage to Mr A's gates and informed him he could try to recover his loss under his property insurance. However, it did agree to cover the loss for the theft of the vehicle.

Admiral researched the market using industry guides and advertised prices. It decided to pay Mr A £36,750 less the policy excess which was the higher of the two guide prices it found.

Mr A was unhappy with the two outcomes. He thinks he's out of pocket by around £2,500 due to Admiral's decision, which he thinks is unfair.

Our investigator decided not to uphold the complaint. She thought Admiral had provided evidence to support its valuation and she thought the policy didn't cover the damage to the gates. Mr A disagreed, so the case has been referred to an ombudsman.

## **My provisional decision**

I made a provisional decision on this on 18 September 2024. I said:

*"I've started by understanding Admiral's liability under the policy. The policy states "if we give you a cash sum, the most we will pay is the market value of the vehicle". And market value is defined as "the cost of replacing your vehicle with one of a similar make, 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".*

*So, I've considered the process Admiral has followed to see if it has met the terms of its policy. I can see it used two well-known industry valuation guides to assess the value of the vehicle. It took the higher of these two guide prices, which resulted in its valuation of £36,750. It also provided advertised prices to support the decision it took.*

*Our service has access to these tools, so I've also checked the industry guides Admiral used as well as two more guides that are available to our service. I can see there are valuations that are higher from other industry guides, so whilst Admiral has provided other adverts to support its decision. I'm persuaded by the industry guides which consider sold prices for cars like Mr A's.*

*However, I'm persuaded most by the price Mr A paid for the car himself. Car prices will move up and down over time, with supply and demand for specific cars. I think it's safe to assume when Mr A bought his car he tried to get it for the most competitive price he could. Given only two days passed from when the car was bought to when it was stolen, I think the market price was unlikely to have moved significantly.*

*I've also noted that the price Mr A paid for his car lies within the range of industry guides. I think the fairest and most reasonable approach in these circumstances, given the limited window between the purchase and theft, is to settle the claim at the price Mr A paid for the car (i.e. £38,000). Therefore, I intend to uphold this complaint. Admiral should still deduct the excess payment.*

*As Mr A has been without this money, Admiral should add 8% simple interest per annum (if an initial settlement was paid, the interest should only apply to the balance – from the date the initial settlement was paid to the date the balance is paid; if no settlement has been paid, then the interest should be applied to the full settlement amount – from the date the valuation was provided to the date it is paid).*

*Mr A said that his damage to his gates should be covered as he said the policy stated "third party damage was covered during fire and theft". I have checked the policy to understand what Mr A is referring to. In the definitions on page 2 of the policy it states "A Third Party Fire and Theft policy meets the demands and needs of those who want to be insured against third party claims that arise from the use of their vehicle and for damage caused by fire or theft".*

*Unfortunately, this wouldn't mean Mr A was covered by the policy for a third party damaging his gates. This definition only covers Mr A for damage he caused to third parties when driving his vehicle. Admiral has suggested Mr A maybe covered by his property insurance. So, I think it would be prudent for Mr A to consider whether it worth him checking his home insurance policy and making a claim for the damage caused. However, I don't uphold this aspect of the complaint".*

## **Responses to my provisional decision**

Mr A didn't respond to my provisional decision.

Admiral didn't agree with my provisional decision. In its response it referred to the same information available to me when I made my initial 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.

As I haven't received any new information, I see no reason to change my provisional decision.

## **My final decision**

My final decision is that I uphold this complaint. I require Admiral Insurance (Gibraltar) Limited:

- Settle Mr A's theft claim for his car using a valuation of £38,000, less the excess. If Admiral has already paid a settlement, it only needs to pay the balance.

- Pay 8% simple interest per annum on the outstanding balance (see above for full description).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 31 October 2024.

Pete Averill  
**Ombudsman**