

The complaint

Mr G says Admiral Insurance (Gibraltar) Limited didn't pay him enough for his stolen car when he made a claim on his motor insurance policy.

What happened

Mr G said the 'X' model of his 2010 car was becoming rare and was in high demand. He said he was its only owner from new, that it had a complete service history and was in its original, unmodified condition. He said it would be highly sought after, despite its high mileage (over 97,000). Mr G said Admiral had used three valuation guides to arrive at a settlement sum, but it had only offered him £16,500, and similar cars to his were on sale for much more.

One of our Investigators reviewed Mr G's complaint. Initially he said the guides valued his car at £21,000. Mr G was happy with that. But on review, the Investigator noted that in fact the guides provided valuations between £15,900 and £17,363 for the car. He also noted that Admiral hadn't offered Mr G the highest valuation (which would have been in line with our approach). So he said it should pay him the difference between the sum it had offered and £17,363, plus interest, and it should also pay him £100 compensation for inconvenience.

Admiral accepted the Investigator's view, but Mr G didn't. He provided adverts showing prices for a range of 2010 model X cars. They included the following examples:

- One owner / mileage of 97,000, auction guide price of £18,000 to £22,000
- Eight owners / modifications / mileage 80,837 / partial service history / at £24,000
- One owner / stored for six years / under 40,000 miles, sold for £27,250
- One owner / modified / mileage 86,650 priced at £27,500
- Three previous owners / mileage 74,000, priced at £25,950

The Investigator said the cars Mr G had referred to had significantly lower mileage than his, so they weren't comparable. He remained of the view that £17,363 was a reasonable sum for Mr G's car. As there was no agreement, the complaint was passed to me for review.

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.

Generally, we think relying on the figures quoted in the national valuation guides is the fairest way of establishing a car's likely market value. As long as an insurer offers the top figure quoted in the guides (or can explain why that wouldn't be appropriate) we would normally say it has acted reasonably. We don't generally consider advertised prices to be persuasive, as they only show asking prices and are open to negotiation. And there can be huge variations in the asking prices of cars that appear to be similar.

I've noted that model X is generally considered to be a future classic and is in high demand. Sometimes we think advertised prices show that the guides are out of line with true market values. That's a particular consideration if a model of car is rare (in which case the guides may not quote figures at all, as there are too few examples to allow them to do so). In this case, there are many adverts for model X cars, although relatively few of them were released in the UK in 2010.

I think the adverts show that model X cars have held their value far better than the same car without the model X specification. But in my opinion, Mr G's adverts and the research I've carried out show that a crucial factor in model X cars' asking prices is their mileage.

The car Mr G used as the example that was closest in mileage to his (and also had only one owner) had a guide price at auction starting at £18,000. And it seems it didn't sell. The examples he provided of cars at asking prices of over £24,000 had mileage at least 10,000 (and up to 23,000) miles less than his car. And they may not have sold at those prices. The car with the lowest mileage (just 40,000) sold for £27,250, so the other cars with much higher mileages than that are unlikely to have sold for £24,000 upwards, in my opinion.

Mr G says mileage alone can't be used to value model X cars, and I appreciate that the number of owners, the car's condition, its service history and whether it has been modified are also important factors. But I think the mileage is probably the most significant one.

I could only find one 2010 model X car for sale with higher mileage than Mr G's car. At 106,000 miles, it was in good condition, with a complete service history, and was for sale at the asking price of £17,750 – which it may not have achieved. The closest other example I found had mileage of 88,000 (with a complete service history) and was for sale for £19,995. These cars weren't modified, but they may have had more than one owner. If so, I don't think that alone is likely to have detracted too much from their market value. Mr G has said he would have been satisfied with around £21,000 for his car. But the two cars I saw on sale for around that price had mileages of 57,000 and 62,000 (although one had four owners).

I've considered Mr G's arguments very carefully and I understand why he thinks he should be paid more than £17,363 for his car. But taking into account all the examples of other model X cars that I've seen, in my opinion there isn't sufficient evidence for me to conclude that £17,363 isn't likely to reflect the market value of Mr G's car.

I know Mr G will be very disappointed with my decision, but I don't think it would be fair and reasonable to require Admiral to do more than it has already agreed to do.

My final decision

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

- Pay Mr G the difference between the sum it paid him for the car and £17,363
- Add interest to that sum, at the simple yearly rate of 8%, from the date of the original payment to the date of settlement
- Pay Mr G £100 compensation for distress and inconvenience

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 30 July 2025.

Susan Ewins
Ombudsman