DRN-5687863

The complaint

Mr C complains about a claim settlement offer by Admiral Insurance (Gibraltar) Limited on his car insurance policy.

What happened

Mr C was involved in an accident in late-August 2024. He raised a claim with Admiral. Admiral assessed the claim, wrote off the car and offered Mr C £15,000 in settlement. Mr C was unhappy with the offer and raised a complaint. Admiral didn't uphold the complaint as they didn't think their offer was unreasonable. Mr C was still unhappy and so brought the complaint to this service.

Our investigator upheld Mr C's complaint. They didn't think the settlement offer from Admiral was fair. Our investigator thought Admiral should increase the settlement offer to £19,398. Admiral appealed. They said they didn't think the evidence provided by Mr C was more persuasive than what they'd provided. They also didn't think Mr C's expert opinions were as valid as their engineer. As no agreement could be reached, the complaint has been passed to me to make 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.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly. So, I've thought about whether Admiral acted in line with these requirements when settling Mr C's claim.

Having done so, and whilst I appreciate it'll come as a disappointment to Admiral, I've reached the same outcome as our investigator.

At the outset I acknowledge that I've summarised his complaint in far less detail than Mr C has, and in my own words. I'm not going to respond to every single point made. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. The rules that govern the Financial Ombudsman Service allow me to do this as it's an informal dispute resolution service. If there's something I've not mentioned, it isn't because I've overlooked it. I'm satisfied I don't need to comment on every individual point to be able to reach an outcome in line with my statutory remit.

As a starting point, it's important to understand what Mr C is entitled to under his policy terms and conditions. The policy sets out the following:

"*What we will pay*

We *will decide how to settle* ***your*** *claim and will either pay:*

- *To repair* ***your vehicle***

- *a cash sum to replace the damaged vehicle*

*If **we** give **you** a cash sum, the most **we** will pay is the **market value** of the vehicle.*"

Market value is defined 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.*"

Due to the rarity of Mr C's car, the industry recognised trade guides couldn't provide an indication of a value. Admiral appointed an engineer to provide a report. The report thought a valuation of £15,000 was fair based on adverts.

Mr C has provided comments from three different specialist retailers. They've said the following:

Retailer 1

"*I confirm the value of the [Manufacturer] listed above to be £23,000 based on the current market value, mileage specification, and above cars overall condition. The car is fully HPI clear and in A1 condition. This is retail replacement value of the car in today's marketplace."*

Retailer 2

"I viewed this vehicle after the recent accident had occurred. Damage aside, it is clear that this car was in exceptional condition, panel gaps are good and paintwork excellent. The engine bay is nicely detailed and has a number of factory upgrades such as power steering and dashboard update.

The interior is once again very good despite the age. Having viewed the car and its history file it is clear the car has undergone some very thorough chassis and suspension restoration to an excellent standard by a reputable [Manufacturer] specialist. Due to the vehicle's low mileage, excellent condition and thorough history I would of, prior to the accident damage, valued this car between £22,000 and £25,000 in today's market."

Retailer 3

"*The average [Manufacturer/model] (less than 1100 on road) has been increasing and retail between 14k and 20k. The large variant is due to works done to the car. In particular the chassis. Refurbished chassis as with yours typically costs between 6 and 10k now.*

Based on what I can see and assuming fair paint and trim I would have valued your car at 15K-18K."

Both Admiral and Mr C have provided adverts for consideration.

Whilst I appreciate it's not straightforward to place a market value on a rare car, I do find the evidence provided by Mr C is more persuasive.

Whilst the report provided by Admiral was completed by a qualified engineer, he hasn't provided any comments as to why he disagrees with the comments by Mr C's experts. Whilst I don't know if the three retailers are also qualified engineers, I don't think this matters. They will have expert knowledge about the vehicle and specific market. I've not seen anything to show that Admiral's engineer had the same level of knowledge of the specific vehicle and market.

Whilst Admiral have provided some adverts, these are just thumbnails with some basic details. So, it's difficult to ascertain whether these cars are similar to Mr C's. Based on what I've seen, I'm persuaded that the condition of chassis can have a bigger impact on the market value than Admiral seems to have accounted for. Based on the comments of the retailers, I think Mr C's car was in a very good to excellent condition prior to the loss.

Whilst not indicative of the market at the time, I've reviewed cars similar to Mr C's on sale at the moment. The lowest priced car which has significant restoration work to the chassis is on sale for just less than £15,000, however it has completed almost twice as much mileage.

I've reviewed all the adverts provided by both parties, along with the comments by Mr C's experts. Based on all this information, I don't think the market value of £19,398 set out by our investigator is unfair or unreasonable in the circumstances.

Putting things right

To put things right, Admiral should do the following:

- Pay Mr C £19,398
- Pay Mr C 8% simple interest* on £4,398 from the date they made their valuation offer to the date of settlement.

* If Admiral considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr C how much it has taken off. It should also give Mr C a tax deduction certificate if he asks for one, so he/she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons I've explained above, I uphold this complaint and direct Admiral Insurance (Gibraltar) Limited to put things right by doing as I've said above, if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 21 August 2025.

Anthony Mullins
Ombudsman