

The complaint

Mr D complains that Admiral Insurance (Gibraltar) Limited (Admiral) has unfairly valued his vehicle following a claim on his motor insurance policy.

What happened

The circumstances of this case are well known to both parties, but in summary, Mr D made a claim under his motor insurance policy, underwritten by Admiral, following an accident in May 2025. Admiral accepted the claim and valued Mr D's vehicle at £3,390 and so settled the claim on this basis, less the policy excess.

Mr D contacted Admiral to dispute the valuation. He said he'd not long purchased the vehicle for a higher sum than Admiral's valuation, and it was a well sought after and rare vehicle – and this was reflected in the sales adverts Mr D had reviewed. As no agreement was reached, Mr D complained to Admiral.

Admiral didn't uphold the complaint. It said under the terms it was required to pay Mr D the market value of the vehicle, and this may not be the same as the amount he had recently paid. It said it had reviewed two of the motor valuation guides and based on these, considered its valuation to be fair. Unhappy with the response, Mr D referred his complaint to this Service.

Our Investigator upheld the complaint. They said that they weren't persuaded Admiral had valued Mr D's car fairly considering all the major motor valuation guides, and it hadn't provided any other evidence to support its valuation was fair. They recommended Admiral pay the claim based on the highest motor valuation guide of £4,695 and pay 8% simple interest on the difference.

Mr D agreed with the Investigators' outcome. However, Admiral didn't and asked for an Ombudsman to review the case. It said that the highest motor valuation guide was significantly higher than the remaining guides and should be considered an outlier and disregarded.

And so, the case has been passed to me to decide.

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 am upholding this complaint – broadly for the same reasons as our Investigator. I'll explain why.

Mr D's policy covers him for loss or damage to his car due to an accident. But the terms go on to say that the insurer will not pay more than the market value of the car at the time of loss. Market value is defined in the policy as:

The cost of replacing your vehicle; with a similar make, model, age, mileage and condition.

It isn't the role of this Service to provide an exact valuation of a motor vehicle. Instead, I must consider whether an insurer has acted fairly and reasonably, in line with the terms of its policy, and taking into account relevant supporting evidence such as motor valuation guides.

This Service's usual approach to these types of complaints is that an insurer should look to obtain multiple valuations from different motor valuation guides and settle a claim in line with the highest of this range. If it thinks a lower valuation is a fairer reflection of the vehicle's value, then it needs to demonstrate this is fair by providing other available evidence such as advertisements of similar cars. If it can't do this, I would expect the insurer to pay the highest of the valuations from the range to ensure its policyholder isn't at any detriment.

Admiral concluded the value of Mr D's vehicle was £3,390, considering two valuations of £3,530 and £3,250. Admiral attempted to obtain a third valuation from another guide but one wasn't available.

I've checked the valuations against those our Investigator obtained and find the figures Admiral obtained to be reasonably consistent. But I have also reviewed another of the major motor guides which gave a value of £4,695.

Admiral didn't provide any other evidence to demonstrate its offer was fair. But said the highest valuation should be discounted given that it's inconsistent with the other two values obtained. I acknowledge the value is higher than the other two guides, but this doesn't mean the value should be discounted. I'm satisfied that the value is based upon accurate details of Mr D's car, and each motor valuation guide values vehicles differently. And so, I have no reason to say this figure isn't persuasive or that I should discount it.

I don't think the value Admiral reached is fair. The value it has offered is towards the lower end of the obtained valuations. And as this is below the highest of the valuations, Admiral should demonstrate their valuation is fair taking into account other relevant information – such as adverts for similar vehicles to show that Mr D would be able to purchase a similar car for this sum. No supporting evidence was provided. So, I'm not persuaded that the value offered by Admiral is fair.

Mr D has provided his own data which he feels represents the market value of the vehicle. I appreciate the time he has invested in this and I want to assure him that I have taken this into account. However, I'm not persuaded it changes things here. Mr D confirmed this data isn't all from the time of loss. And is based upon the advertised price rather than the sale price. The advertised price can reflect the price the seller would like to achieve, or factors in an opportunity for a buyer to negotiate, rather than the actual sales figure. So, I don't find this information to be more persuasive than the motor valuation guides.

My final decision

For the reasons I have set out above, I uphold this complaint.

I require Admiral Insurance (Gibraltar) Limited to:

- Pay Mr D £1,305, which is the difference between its valuation and the highest motor valuation guide.
- Pay 8% simple interest per year on the difference from the date it paid the original value to the date of settlement.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 29 December 2025.

Oliver Collins
Ombudsman