

The complaint

Mr K has complained his insurer, Admiral Insurance (Gibraltar) Limited, didn't pay a fair settlement for his car under his motor insurance policy after it was stolen.

What happened

Mr K's car was stolen. During the claim, his motor insurer, Admiral, ran some valuation guides and told Mr K the current market value for his car was £16,100, so offered a settlement of that amount less his excess.

Mr K didn't agree with this, and after speaking several times over the phone, Admiral agreed to have an engineer reconsider what the market value would be. They asked Mr K to send over any adverts of similar cars.

Admiral's engineer carried out an assessment and said the valuation of Mr K's car was £18,000. And Admiral said they would settle the claim based on this this amount.

Mr K was still unhappy. He said his car was worth more because £18,000 wouldn't allow him to purchase a like-for-like car in the current market. He said this is because:

- Cars like his are very rare, especially with similar mileage and in a similar condition.
- The main differences between cars of his make come down to service history, mileage and originality.
- His car has covered 42,000 miles backed up by a full manufacturer's service history from new, had four owners and is completely standard and unmodified.
- It has fresh and as new diamond cut wheels, new tyres, and new brakes.
- There were only 21 pre-facelift versions of these cars on the market, so the pool of cars to compare his to is very small.

Mr K said he asked Admiral whether he can get his own expert report, but they said they wouldn't consider it if he did. They said the market value of £18,000 wouldn't change and the next step would be to make a complaint. Which is what Mr K did.

Admiral maintained they offered the market value at the time of loss. They said the independent assessors they use are highly qualified and objective. And that the valuation remains unchanged from the assessor's market value of £18,000.

Mr K complained to our Service. He said he sent Admiral examples of other cars on the market, but he thought these other cars were valued less than his because there weren't any available in quite the same standard or specification. He said these details seem to have been discounted by Admiral's assessor.

Mr K said Admiral wouldn't allow him to submit valuations from his own specialist who deals in this kind of car on a daily basis. He said he would have thought a specialist dealer would have a more accurate knowledge on this kind of specific market than an assessor that conducts a desktop assessment in a short amount of time.

He did later get his own assessment. The assessor explained why they thought the car was worth more and said the retail figure based on the car not requiring any additional preparation was £22,000. Mr K wants to be paid an amount more in line with this figure.

Our Investigator upheld the complaint. She said Admiral should be paying £20,992 in line with the highest trade guide. She also said it wasn't fair for Admiral to tell Mr K they wouldn't take into account any independent assessment he paid for.

Admiral disagreed. They said the highest guide was significantly higher than the others and there's evidence to suggest it's wrong, so it should be discounted. They also provided another advert they thought supported their position.

The complaint couldn't be resolved so it came to me to consider.

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 ours is an informal service, I'm not going to respond to every point or piece of evidence Mr K and Admiral have provided. Instead, I've focused on what I consider to be key or central to the complaint. But I'd like to reassure both that I have considered everything submitted.

Our Service doesn't value cars. Instead, we check to see that an insurer's valuation is fair and reasonable and in line with the terms and conditions of the policy. To do this we tend to use relevant valuation guides. We generally find these persuasive as they're based on nationwide research of sales prices. We also do consider other evidence that the parties submit, like adverts and engineers' reports – as both Admiral and Mr K have done here – to determine whether an insurer came to a fair market value.

Mr K's policy includes cover in the event his car is lost or damaged due to theft. It says the most Admiral will pay is the market value of the vehicle.

And the policy defines 'market value' as the cost of replacing Mr K's vehicle with one of a similar make, model, year, mileage and condition based on market prices immediately before the loss happened. It says the use of the term 'market' refers to where Mr K's vehicle was purchased and the value is based on research from industry recognised motor trade guides.

Admiral needs to effectively show their valuation is enough to allow Mr K to purchase a replacement car. That doesn't necessarily mean they need to offer the highest valuation available. But if their valuation isn't close to the highest valuation returned from the guides we look at, they would need to evidence this is fair – this is to minimise the risk of detriment to Mr K.

Admiral based their initial valuation on two trade guides. They gave rates of £12,480 and £16,100.

Our Investigator ran three trade guides. She used mileage of 42,646 (based on what Admiral recorded as the MOT mileage) and two of the guides were the same ones Admiral used and produced similar valuations. The Investigator ran one more guide that Admiral didn't use. The valuation it produced was the highest at £20,992.

Admiral thinks this highest guide should be discounted. But just because it's higher than the others, it doesn't mean Admiral should think it's wrong and automatically discount it. For me to be persuaded that a lower valuation than what was produced by the highest of the trade guides is a fair reflection of the market value, I'd need to be satisfied that the evidence provided by Admiral supported their position.

Admiral's engineer said their recommended value was supported by adverts of vehicles of a similar model, age and recorded mileage. But Admiral haven't supplied those adverts to our Service, so I can't give them much weight in my consideration.

Admiral mentioned that the highest guide we ran included several adverts underneath and, whilst none were exact matches, newer models were selling for less than the guide price of £20,992. I can't see all details of these cars, but I do note that they were "currently in the market" (rather than at the time of the incident) and most of the later models had significantly higher mileage than Mr K's car (around 80,000 miles, for example) – where Mr K's car had mileage of around 43,000 at the time of the incident. And cars on the list with lower mileage or similar mileage to Mr K's car were generally on the market for closer to the higher guide price. These adverts may feed into the valuation the guide gave, but I don't think any individual advert on its own in that list (or even the examples as a group) persuades me that the guide price is wrong.

When Admiral disagreed with increasing the settlement, they provided an advert from the market that they thought shows Mr K could have found a car in line with their initial valuation of £16,100. It was the same make and model as Mr K's car, the selling price was £15,500 and the mileage was 55,000.

This car was selling more recently than the time of the accident and markets do fluctuate; it had over 10,000 miles more than Mr K's car; and other than the screenshot Admiral sent us which shows a photograph and basic information, I can't see the other details in order to see if it's a fair comparison to Mr K's car. With these points in mind, I'm not persuaded this advert shows the market price immediately before the loss happened, nor that Mr K could most likely replace his vehicle with one of a similar make, model, year, mileage and condition if he was paid less than the price in the highest trade guide.

Based on what Admiral sent us to consider, there isn't sufficient evidence to persuade me a fair market value should be less than the highest trade guide indicates.

Mr K asked his own engineer to value his car, who said:

- They have firsthand knowledge of the car.
- They have extensive knowledge of this make and model of cars, both as a workshop and as a retail space – and the market can be a minefield in that they are very costly to upkeep and many have fallen into disrepair.
- It's nearly impossible to find a car like Mr K's with a full service history, clean paintwork, and that is still in its original specification.
- Cars of this make and model that are in very good condition with the correct paperwork to support the history are valued considerably higher than average.
- They valued Mr K's car at £22,000.

This report is useful as it supports Mr K's assertion that his car was kept in very good condition compared to other cars of the same make and model on the market. And, as such, would likely fetch a price at the top of the range for an equivalent car. I can only give limited weight to the actual figure the engineer valued the car at as I haven't seen market examples to support it. But I'm satisfied the report supports the argument for paying the highest

amount from the trade guides, which takes market examples into account. I think it's important to note that even without this guide, it would be up to Admiral to show persuasive evidence that a fair market value for Mr K's car is lower than the highest guide – which I'm not satisfied they've done.

Mr K has also submitted several adverts, but, as he mentioned, they often have significantly more or less mileage than his car. And I also don't find them more persuasive than the value from the highest trade guide.

As I'm not persuaded Admiral or Mr K have demonstrated a lower or higher valuation than the highest guide is fair, I'm directing Admiral to pay difference between what they previously settled the claim at and £20,992, which is in line with the highest of the trade guides. Admiral should also pay Mr K 8% simple interest to make up for the time he's been unfairly without these funds.

I note that Admiral told Mr K they wouldn't consider any independent engineer's report he submitted. I would expect an insurer to take any relevant expert report into account, so I'm disappointed to see they told him this. Ultimately, Admiral's advice hasn't had a significant effect on the claim as Mr K was able to submit his report – and I'm satisfied the interest I'm awarding makes up for the unfair amount of time it's taken for him to receive a fair settlement for his car.

My final decision

I uphold this complaint and direct Admiral Insurance (Gibraltar) Limited to:

- Pay Mr K £2,992 – which is the difference between the value Admiral settled the claim at and the highest trade guide valuation.
- Pay Mr K 8% simple interest on this amount from the date they paid their initial valuation until the date they pay him this amount*.

* If Admiral thinks that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr K 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 K to accept or reject my decision before 1 December 2025.

Andrew Wakatsuki-Robinson
Ombudsman