

The complaint

Mr C complains Admiral Insurance (Gibraltar) Limited (Admiral) unfairly settled his claim on his motor insurance policy after his car was stolen.

What happened

Mr C made a claim on his motor insurance policy after his car was stolen within 24 hours of it being delivered. The car was not recovered, therefore Admiral made Mr C a settlement offer of £48,872.67 less the policy excess.

Mr C was not happy with the settlement amount. He said the car was brand new and had been driven less than 50 miles when it was stolen. He said he was sure it was not possible for him to buy an identical new car for the price Admiral offered.

Because Mr C was not happy with Admiral, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said Admiral should increase its settlement offer to £51,500. They said 8% simple interest should also be added from the date the initial settlement amount was paid to the date of final settlement. Plus it should pay Mr C £100 compensation.

As Admiral is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

In this case I have considered whether Admiral acted fairly and reasonably in reaching its decision as to the level of settlement offered to Mr C following the theft of his car.

My role is not to provide an exact valuation but to make a judgment as to whether the offer of settlement is fair.

I firstly looked at the details within Mr C's motor insurance policy with Admiral. In the terms and conditions of the policy. It says;
"Market Value –The cost of replacing your vehicle; with a similar make, model, age, mileage and condition."

Although this service doesn't value vehicles, we do check that the insurer's valuation is fair and reasonable and in line with the terms and conditions of the policy. We use valuation guides to do this, and they're based on nationwide research of likely selling prices and take the car's specifications, mileage etc into account.

This service doesn't consider the question of market value to be an exact science, however

our general approach is that the valuations given in the main motor valuation guides provide the most persuasive and consistent evidence. These guides are based on extensive nationwide research of likely (but not actual) selling prices.

If Admiral can demonstrate, that it used a fair process to value the car then we wouldn't interfere with the offer it has made.

I looked at the information Admiral used when calculating the market value for Mr C's car. I saw it obtained valuations from three of the main valuation guides. In this case Admiral offered £48,872.67 which is the average of these three guides.

I looked at the valuations our investigator obtained. They used three of the main valuation guides, of which two were the same as used by Admiral. The highest of these valuations was £50,683 and the lowest was £46,500. They recommended Admiral's valuation was £51,500. This was based on the advertised sales prices of new cars provided by Admiral, Mr C's evidence of paying £52,000 for the exact same car the previous year, and recent on line prices for similar cars for sale at around £53,000.

I looked at Admirals evidence which showed two new cars of the same brand and model advertised for sale at £51,920 and £51,990. I also looked at the evidence provided by Mr C which showed the same brand new car he had bought the previous year of which he paid slightly more than £52,000. He said he would accept a £500 depreciation for the miles used.

After considering all the evidence, I don't think the initial settlement amount paid for Mr C's car is fair in this case, because Admiral used the average of the three valuations it obtained. It didn't evidence why an average valuation was the most likely market value. I saw based on our investigator's view Admiral said it would increase its offer to the highest of the valuations which was £50,698. It said there was no justification to increase it beyond the highest listed guide price.

I don't think we can rely entirely on the valuation guides in this case because the car was brand new. It had less than 50 miles on the clock. The valuation guides use a minimum mileage which varies between 500 and 1000 miles.

Based on the evidence I have seen, I am persuaded that approximately £52,000 is a fair market value for a brand new car and therefore I think a settlement of £51,500 to take into account the miles driven in Mr C's car is a fair and reasonable outcome.

Therefore, I uphold Mr C's complaint.

Putting things right

I require Admiral to increase its settlement offer to £51,500 less the policy excess. It should add 8% simple interest on the difference from the date the initial settlement amount was paid to the date of final settlement. It should also pay £100 for the distress and inconvenience caused to Mr C in progressing his claim.

My final decision

For the reasons I have given I uphold this complaint.

I require Admiral Insurance (Gibraltar) Limited to:

- Increase the settlement offer for Mr C's car to £51,500. This means an amount of £2,627.33 should be paid. It should pay 8% simple interest on this amount from the date the initial settlement was paid to the date of final settlement.

- Pay £100 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 25 March 2026.

Sally-Ann Harding
Ombudsman