

## **The complaint**

Mr C complains about Admiral Insurance (Gibraltar) Limited's service after he claimed for the theft of his car on his motor insurance policy. In particular Mr C is concerned that Admiral undervalued his car and wouldn't let him buy it back once the police recovered it.

## **What happened**

Mr C's car was stolen in July 2025. He claimed for its loss on his policy. Admiral valued it at £26,873 – before deducting his £350 excess. It paid the balance of £26,523 to the company that had provided the finance for Mr C to buy the car. However, Mr C didn't think that valuation was fair. After he complained Admiral increased its valuation to £27,716. It paid the difference in the valuations to the finance company.

The police later recovered the car. Mr C wanted to buy it back from Admiral. It told him that it didn't offer a buy-back service but it could give him details of the salvage agent that was selling it.

Mr C brought his complaint to the Financial Ombudsman Service. One of our Investigators looked into it. He thought it was reasonable that Admiral hadn't offered to sell the car back to Mr C. But the Investigator didn't think Admiral had valued the car fairly. So he said it should increase the valuation to £28,861 – an additional £1,744.67 and add simple interest of 8% to the difference.

Admiral didn't agree with our Investigator's complaint assessment. So, as the complaint remains unresolved, it's 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.

Mr C complained that Admiral undervalued his car. After he complained Admiral did increase its valuation but Mr C still thought that figure was too low.

I'll explain that assessing the market value of a car is not an exact science. And it's not my role to value vehicles. Rather, my role is to see if a business has handled matters fairly and reasonably.

Mr C's policy says that in the event his car is deemed a total loss Admiral will pay him the car's market value. The policy defines market value as:

*"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."*

When looking into these types of complaints we check trade guides (which I've referred to by their initials below), adverts and other relevant evidence. We generally find the guides most persuasive as they're based on nationwide research of likely selling prices. So, they're often more reliable than individual adverts. And I've considered if Admiral's offer to settle Mr C's claim is fair and in line with the policy terms and our general approach.

Given the competitive market for second-hand vehicle sales, and to minimise the risk of detriment to the policyholder, the Financial Ombudsman Service feels that the starting point for any settlement should be the highest valuation returned by the trade guides. Then, if an insurer wants to pay less, it will have to evidence why that is fair. It might be that there's persuasive evidence, for example from adverts or other independent reports, which suggest that another value, lower or higher, is fair in the relevant circumstances.

In this instance Admiral used three industry recognised trade guides to value Mr C's car before arriving at its initial valuation. But after he complained Admiral revisited that valuation and increased it to £27,116.33.

In order to decide if Admiral's valuation was fair we've looked at the figures produced by the three guides Admiral used together with a fourth. Those produced valuations of C: £26,000 A: £26,359, G: £28,450 and P: £28,861.

As I've said above, the starting point for any settlement should be the highest valuation returned by the trade guides. Admiral's valuation falls below that. But, generally, where an insurer's valuation is very close to the highest guide price we might say it was reasonable to use that figure. That is as long as the sum is supported by other evidence such as adverts or expert reports.

Admiral didn't refer to any adverts to support its valuation when communicating with Mr C. However, it told us that A's valuation above included one car for sale at a figure of £25,999. So it says this demonstrates that Mr C could have replaced his car with the settlement it offered to him.

I don't find Admiral's arguments persuasive. That's because I wouldn't find a single advert alone to be indicative of a fair market price. For example the seller could be keen to sell the car quickly and so is offering it at a discounted rate. In these circumstances, I'm satisfied it's reasonable to apply our standard approach here. I think a fair valuation is the highest of the trade guides which is £28,861.

I'll briefly add that Mr C has confirmed he's satisfied the outstanding finance on the car, which means the increased sum is not owing to the finance company.

So I think Admiral should increase its valuation to £28,861 and pay Mr C the difference, between that figure and its earlier valuation, which I calculate to be £1,744.67.

Mr C was also dissatisfied that Admiral didn't give him the opportunity to buy back the car once the police recovered it. But that's not something it's required to do. Mr C's policy says that if Admiral settles a claim for the total loss of the car then it becomes its property. This is an extremely common term in motor insurance policies. And it's apparent that Admiral has an agreement in place with its salvage agent about how to sell such theft recovered cars, which it was following in this instance. So it was not under any obligation to sell the car back to Mr C. And I don't think it acted unfairly or unreasonably in refusing to let him buy it.

### **Putting things right**

I require Admiral to pay Mr C the difference between Admiral's valuation and the fair valuation, which I calculate to be £1,744.67. And as he's been without the use of those funds it should add simple interest to the sum paid at a rate of 8% a year from the date it initially offered to settle the claim to the date it makes payment to him<sup>1</sup>.

---

<sup>1</sup> If Admiral considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr C how much it's taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

## **My final decision**

For the reasons given above I partly uphold this complaint. I require Admiral Insurance (Gibraltar) Limited to take the steps set out under the heading putting things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 31 March 2026.

Joe Scott  
**Ombudsman**