

The complaint

Mr R complains about the settlement he's received from Admiral Insurance (Gibraltar) Limited (Admiral) following a claim under his car insurance policy.

What happened

Mr R had a car insurance policy underwritten by Admiral. Following an accident, the insured vehicle was declared a total loss.

Mr R was unhappy with the valuation placed on the vehicle by Admiral in settlement of the claim. So, Mr R complained to Admiral about the settlement they'd offered, and the service he'd received.

Admiral responded to Mr R's complaint. They maintained the £5,000 (before the £400 excess deduction) settlement they'd offered was fair, but they recognised there were delays in reviewing information and communication issues and offered a total of £100 compensation.

As Mr R remained unhappy, he approached the Financial Ombudsman Service.

One of our investigators looked into things and upheld the complaint. He said that Admiral hadn't shown that the settlement they'd offered was fair, and he thought adverts indicated what Mr R had paid for the vehicle was a fairer market value, so he recommended Admiral pay a further £4,500 with 8% simple interest added from the date of loss to date of settlement. The investigator also recommended Admiral should pay a further £100 compensation.

Admiral didn't agree and asked for a final decision from an ombudsman.

I was minded to reach broadly the same outcome as our investigator, but there were some additional reasons. I was also minded to slightly change what I thought Admiral needed to do to put things right. Therefore, I issued a provisional decision to give both parties the opportunity to comment on my initial findings before I reached my final decision.

What I provisionally decided – and why

In my provisional decision, I said:

“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

I’ve reached broadly the same outcome as our investigator, but for some additional reasons. I’m also minded to slightly change what I think Admiral needs to do to put things right. So, I’m issuing a provisional decision to give both parties an opportunity to comment on my initial findings, before I reach my final decision.

Mr R’s insurance policy outlines that in the event of a total loss, the most Admiral will pay is the market value of the vehicle. This is defined in the policy terms as:

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

Admiral calculated the market value as £5,000 (before deduction of the £400 excess). This was based on their independent assessors view of the value. Mr R purchased his vehicle five months before the accident at a cost of £9,500 so he says the settlement he’s been offered by Admiral is significantly lower than what the value of the vehicle actually is.

Valuing a vehicle isn’t an exact science. When considering disputes about vehicle valuations, as a starting point, we’d usually take into account what the different industry trade guides say the market valuation of a vehicle is. We also take into account any other available information. The guides we would use as a starting point are CAP, Glass’s, Autotrader and Percayso. And we’d consider the safest way to ensure a consumer receives the correct replacement cost (market value) is to make sure the insurer bases its settlement on the highest one. Or – if it doesn’t – make sure the insurer has provided evidence to show a valuation lower than this is fair.

However, due to the age and model of Mr R’s vehicle, it doesn’t feature in the trade guides so I’m not able to use those as a starting point. Also, due to the type, age and rarity of the specific model of the vehicle, there are very limited similar vehicles for sale online too. And given the rarity of the vehicle, when they are occasionally for sale, it appears they aren’t for sale for long either and the adverts then disappear.

I can see that Mr R has provided examples of vehicles he says are comparable to Admiral, and these are far in excess of what has been offered in settlement, and around the amount Mr R paid for his vehicle. Admiral has maintained that an independent expert has valued the vehicle and therefore the settlement offered is fair.

Having considered everything, I’m not minded to conclude Admiral has offered a fair market value. I’ll explain why.

Firstly, I can see that Admiral’s engineer had very limited information when valuing Mr R’s vehicle, instead they confirmed:

“The vehicle is to (sic) old to be listed in the guides

This was a blind value no images supplied to comment on the vehicle condition”

So, the engineer has simply taken into account the broader vehicle model, age and mileage, without knowing any specifics of Mr R's vehicle, or seeing images of it. Whereas, Mr R's vehicle was actually a rarer model, with extensive service history, and having seen images and videos of it, was in immaculate condition. The car was also on show at a classic car show on the day it was damaged, and I think this also supports its immaculate condition.

Admiral's engineer has also relied on adverts to reach their valuation. But, having seen these adverts, they appear to be basic models of the vehicle, and not comparative to Mr R's, or the immaculate condition, and special edition that his was. So, given the engineer valued the vehicle 'blind' and without any images, and wasn't able to reasonably compare anything with Mr R's vehicle, I don't find their conclusion on market value, or their examples of adverts, persuasive.

I have also taken into account that only five months before the accident, Mr R paid £9,500 for the vehicle, this also supports, on balance, that the vehicle was worth significantly more than £5,000.

Whilst I've noted above that there are very limited adverts of this rare vehicle model for sale, and adverts disappear shortly after listing, Mr R provided adverts to Admiral showing a similar value to what he paid for his vehicle. In addition, I've also carried out my own research, and this has shown vehicles currently for sale in the region of what Mr R paid for his. Some of these are older, with higher mileage too, but regardless, are still significantly more than that offered by Admiral on a 'blind' valuation without details of Mr R's vehicle to be able to compare to.

As I say, I'd expect an insurer to be able to evidence why what they are offering is a fair market value, but I'm not persuaded Admiral has done this. In the absence of firm persuasive evidence that £5,000 is a fairer market value, and the vehicle not being in any of the trade guides, I think the fair and reasonable outcome here is to base the market value on similar vehicles for sale, and what Mr R paid for the vehicle five months before.

Therefore, unless anything changes as a result of the responses to my provisional decision, I'll be directing Admiral to increase the total loss settlement to £9,500 (before excess deduction) and to pay Mr R the remaining £4,500.

Our investigator said that Admiral should also add 8% simple interest from the date of loss to the date of settlement. However, I intend to slightly change this. This is because it always would've taken some time to consider and settle the claim, even without the dispute over the valuation. And I think Admiral should have offered a higher total loss settlement for the reasons explained above. So, I think Mr R has been deprived of that additional £4,500. But I think he's been deprived of that amount since the original £5,000 (before excess deduction) settlement was paid.

Therefore, unless anything changes as a result of the responses to my provisional decision, I'll also be directing Admiral to add 8% simple interest, but this will be from the date the original settlement was paid to date of payment of the remainder, rather than from date of loss.

Admiral already paid £100 compensation for delays in reviewing information and communication issues. The investigator said Admiral also should pay a further £100. I think this additional amount is fair in the circumstances, as clearly Mr R has been inconvenienced by receiving an unfair settlement in the first place, and then needing to come all the way through this service in order to receive a fair settlement to his claim. So, unless anything changes as a result of the responses to my provisional decision, I'll be directing Admiral to pay a total of £200 compensation (including the £100 already paid by Admiral)."

So, I was minded to uphold the complaint and to direct Admiral to:

- Increase the total loss settlement to £9,500 (before excess deduction)
- Pay Mr R the additional £4,500 due
- Add 8% simple interest to the additional £4,500 due from date of payment of the original settlement to date of payment of the remainder
- Pay Mr R a total of £200 compensation (including the £100 already paid by Admiral)

The responses to my provisional decision

Mr R responded and said he accepted the provisional decision.

Admiral responded and said they didn't agree. They said they thought the expert evidence from their engineer carried most weight and therefore they said they stand by their original position.

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.

I've thought carefully about the provisional decision I reached and the responses to it. Having done so, my final decision remains the same as my provisional decision.

Whilst I note Admiral said they feel their engineer's opinion carries most weight, I explained in my provisional decision, in detail, why I didn't agree that a fair valuation had been offered and why I wasn't persuaded by the comments or valuation from the engineer. Nothing has been provided by Admiral in response to my provisional decision which hasn't already been taken into account when reaching it, so my view remains the same as in my provisional decision, and for the same reasons.

My final decision

It's my final decision that I uphold this complaint and direct Admiral Insurance (Gibraltar) Limited to:

- Increase the total loss settlement to £9,500 (before excess deduction)
- Pay Mr R the additional £4,500 due
- Add 8% simple interest* to the additional £4,500 due from date of payment of the original settlement to date of payment of the remainder
- Pay Mr R a total of £200 compensation (including the £100 already paid by Admiral)

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 23 March 2026.

Callum Milne
Ombudsman