

The complaint

Mr W is unhappy with the settlement he's been offered by Admiral Insurance (Gibraltar) Limited following the theft of his motorhome.

What happened

Mr W's home was broken into, the spare key for Mr W's motorhome was taken and used to steal it from his driveway. Mr W made a claim to Admiral, his motorhome insurer.

Admiral initially offered Mr W £14,972 in settlement of his claim. Mr W was unhappy with this, and Admiral subsequently increased this to £23,112.48. However, Mr W remained unhappy with this, so he approached this service.

One of our investigator's looked into things and upheld the complaint. He said that Admiral's settlement offer wasn't fair. He recommended this be increased by £6,887.52 as he thought that was a fairer amount based on all the information provided.

Admiral didn't agree and the case was 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've reached the same outcome as our investigator.

Mr W's policy terms outline that in the event of a claim, Admiral will pay up to the market value of the vehicle. This is defined in the policy as:

"Market value

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."

Admiral initially offered Mr W £14,972 after excess deduction, and later made a further payment taking the settlement to £23,112.48, and they said that was fair based on the opinion of their motor engineer. It appears they may have used Autotrader to obtain an initial value and made some adjustments due to the low mileage of Mr W's vehicle which resulted in the increase.

Mr W provided Admiral with examples of similar vehicles for sale. These had significantly higher mileage than Mr W's vehicle (one was more than double and the other was more than triple), and these were for sale for more than Admiral had offered. Mr W says this supports his position that what he's been offered by Admiral isn't fair. He says his vehicle is worth more than these, given the lower mileage it has.

Deciding the market value of a vehicle isn't an exact science. Usually in cases this service considers about motor valuation disputes, as a starting point, we'd take into account what four different industry trade guides say the market valuation is. We'd also take into account any other available information, such as expert or specialist reports or opinions, adverts and any other information available.

The difficulty I have here though in obtaining a valuation is that it doesn't feature in any of the trade guides this service has checked, so these can't be used as a starting point. And due to the specialist nature and rarity of Mr W's vehicle, there is a very limited number of similar vehicles for sale currently. So, as there isn't a wide range of available similar vehicles for sale, and no trade guides to compare these against, using adverts isn't really a suitable way to determine what is a fair market value.

Due to the difficulties in obtaining a valuation through either the trade guides or adverts of current vehicles for sale, our investigator spoke to a specialist dealer in this field who has experience in selling this type of vehicle.

They explained to our investigator that based on what they'd been told about Mr W's vehicle, they'd be selling this for £30,000. They confirmed that they had sold previous vehicles with higher mileage for £29,000 and £30,000. And they had one of very few available for sale at the moment, near identical to Mr W's, for sale for £29,995.

They also explained they'd sold one the previous year which wasn't the limited edition which Mr W's was, with every panel scratched or dented, and twice the mileage, for around £26,000. They'd also recently seen an example of a basic model for sale for £25,000 which required work to bring it to standard.

So, I'm persuaded, this indicates on balance, that the market value is significantly higher than that offered by Admiral.

Admiral were provided with the details of this specialist dealer, and their website including a link showing the vehicle near identical to Mr W's for sale. Admiral's engineer previously produced a valuation of £23,112.48, but Admiral haven't demonstrated why this amount is a more accurate market value than the remaining information indicates.

Given the specialist nature of the vehicle, the absence from the trade guides, the lack of available range of adverts due to the rarity of the vehicle, and that Admiral hasn't shown why their valuation is a fairer valuation in comparison to all the other available information, I'm not persuaded the settlement Admiral has offered is fair.

Instead, I'm persuaded on balance, having considered all the information provided, that relying on the information from the specialist dealer is reasonable here, and that £30,000 is a fair and reasonable valuation in all the circumstances to fairly settle the claim and complaint. As Admiral has already paid Mr W £23,112.48, they'd need to pay a further £6,887.52. 8% simple interest will also need to be added to this amount from when the last settlement was paid to the date of payment of the remainder of the settlement.

My final decision

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

- Pay Mr W a further £6,887.52 for his vehicle
- Add 8% simple interest* from the date of the previous settlement to the date of payment of the remainder

* 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 W how much it's taken off. It should also give Mr W 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 W to accept or reject my decision before 15 December 2023.

Callum Milne
Ombudsman