

## The complaint

Mr M complains that Admiral Insurance Company Limited didn't pay him enough for his stolen (and recovered) van when he made a claim on his motor insurance policy.

## What happened

Mr M was offered £1,500 by Admiral after an independent engineer decided the van should be written-off. Mr M thought the claim had been delayed and that the van was worth at least £6,000, given the sum he'd spent getting it to a roadworthy standard and starting to convert it to a campervan. He said the independent engineer had based the valuation on three adverts from an online sales site. He also said the engineer hadn't inspected the van in person and hadn't looked at 'trusted sites' or sought an expert opinion, despite its rarity.

Admiral accepted that there was a delay in dealing with the claim and offered Mr M £100 compensation. It confirmed that the independent engineer had inspected the van in person and that he'd later considered *all* the work Mr M had done to it, plus the list of parts he'd supplied. But the engineer thought the work and the replacement of items required to allow the van to run properly didn't add any value to it. He said that as the conversion to a campervan wasn't complete, the van had to be valued in its unconverted state. He said the trusted sites Mr M had referred to showed only completed conversions.

Mr M then complained to us about the valuation and the way it was arrived at. He thought the engineer had valued the *damaged* vehicle and hadn't considered the evidence he'd provided. And he said the engineer was wrong to say that the van wasn't ready to drive away, when the thieves had done exactly that.

One of our investigators considered Mr M's complaint. He said we usually rely on the valuations set out in the national trade guides, as we don't generally regard adverts as reliable. But as Mr M's van was 25 years old, only one of the guides had a valuation for it, which was £1,500. He said most of the money Mr M had spent on the van was to return it to a roadworthy standard, which didn't add value – and that the partial conversion didn't either.

Mr M queried why his evidence hadn't been accepted and why we hadn't sought a report from a specialist dealer. He queried the definition of market value in the policy and said the investigator had ignored the private sellers' prices shown on the trade guide valuation sheet. Mr M also said he thought he'd insured the van for £5,000 initially.

As there was no agreement, the complaint was passed to me for review.

## 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.

It isn't the role of this service to value vehicles, but we review whether an insurer has acted reasonably in arriving at the offer it made to a consumer for a vehicle. That means we look at

the basis for the insurer's offer, plus any information provided by the consumer. We're also able to carry out research into a vehicle's value as part of our investigations.

Mr M insured the van for £1,500 (not £5,000, as he thought may be the case). But in any event, as the sum an insurer pays for a vehicle isn't usually based on the sum it was insured for, I don't think that sum is relevant to the disputed issue.

Admiral asked an independent engineer to consider the van's value. The duty of an independent engineer is to the court, so we usually think it's reasonable for an insurer to rely on his or her assessment. There's no benefit to an independent engineer in undervaluing a vehicle.

In this case, the independent engineer said at the start that it was hard to value the van, given its age and part-converted state. He valued it in its *pre-incident* condition (before the theft damage occurred). The comment made about the van not being ready to drive away related to it not being immediately ready for use as a campervan, rather than not roadworthy. At the time, the van was being compared to others on the trusted websites Mr M had said the independent engineer should look at. The engineer said the vans he found there were all fully converted. In his view, they weren't comparable to Mr M's van for valuation purposes.

I can see why the three adverts the independent engineer found led him to conclude that the van was probably only worth £1,500. One of the adverts was for parts of a van or repair, so it could be discounted. Another was for a van a year older than Mr M's van (not converted) for sale at £950. The third van had been fully-converted to a campervan. It was three years newer than Mr M's van and was on sale for £2,995.

The independent engineer noted that Mr M had bought parts for the van. He commented that as they were replacements of serviceable items (without which the van wouldn't be able to run) they didn't add value. We think that's a reasonable approach. Modifications to the inside of a vehicle rarely add value, as they may not appeal to some potential purchasers (although had Mr M's van been fully converted to an appropriate standard, I don't think there's any doubt that it would have been worth considerably more).

We don't normally rely on advertised prices, as we think they're unreliable. The prices of similar vehicles often vary considerably - and usually asking prices are inflated. In this case, the investigator found that as Mr M's van was 25 years old, only one of the four national trade guides we use quoted for it, at £1,500. The guide's valuations are based on likely selling prices across the market, based on nationwide research of similar available vehicles. Given the age and rarity of the van, there may have been fewer examples than usual for the trade guide to use. But that doesn't mean the valuation can't be relied on - and it supported the independent engineer's initial view of the van's value.

I've looked at the adverts Mr M provided. In my opinion, most of them were for vans that weren't comparable to his, as they were newer, or with much lower mileage - and in some cases, the year of registration and / or the mileage, weren't shown. I also looked for adverts showing vans of the same type as Mr M's van, but most of them were for much newer vehicles. We then checked with a specialist dealer, who said a professionally converted van of the age of Mr M's van could be worth at least £7,000 - but was unable to offer any guidance to us on the value of a van that was only part-converted.

Mr M has said consistently that he only wants to be paid the sum the van was worth. As he spent several thousand pounds making it roadworthy, and more money on the partial conversion, I understand why he can't accept Admiral's view that it hasn't increased in value.

The investigator advised Mr M that it was open to him to provide us with an independent assessment of the van's value, which I would have considered as part of this review, but he decided not to do that. I can only base my decision on the details I've seen from the parties, plus the research carried out as part of the review. Despite my sympathy for the position that Mr M has found himself in, I haven't seen anything that persuades me that Admiral acted unreasonably in offering him £1,500 for his van. So I'm not able to uphold Mr M's complaint.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 1 December 2021.

Susan Ewins  
**Ombudsman**