

## **The complaint**

Mr U complains Allianz Insurance Plc settled his motor insurance claim unfairly.

## **What happened**

In September 2020 Mr U's recovery truck was damaged in a collision with another vehicle. He claimed on his Allianz motor trade insurance policy. The vehicle was deemed a total loss. Allianz offered to settle his claim using a valuation of £6,000. That was net of VAT, but before any policy excess deduction. Mr U felt this was too low. After he explained the truck had an aluminium bed Allianz increased the valuation to £6,750.

In August 2021 Allianz responded to a complaint from Mr U. He provided a valuation, from an independent organisation, of £11,098. But Allianz didn't accept the valuation method. It felt most of the vehicles used to calculate the valuation weren't comparable to Mr U's. It said its valuation of £6,750 was fair and reasonable.

Mr U was still unhappy so came to this service. He says Allianz's valuation and proposed settlement isn't enough to allow him to buy a comparable vehicle. He says Allianz's valuation is based on the book value of a truck without the required additional equipment. He says he will accept a settlement of £11,098. Mr U returned a settlement cheque, for £6,400, to Allianz. He says as he's been unable to replace the recovery truck he's lost business and income.

Our investigator felt Allianz's valuation and settlement offer was fair. Mr U didn't accept that, so the complaint 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'm not going to require Allianz to do anything differently.

As this is an informal service, I haven't referred here to every bit of evidence or information I've been provided with. Instead I've focused here on what I consider to be the key issues and points. But I'd like to assure Mr U and Allianz that I've considered everything they have provided.

Mr U's policy says in the event of a total loss of an insured vehicle Allianz will pay up to the 'Insured Value'. Insured Value is defined as *'the sum for which the Insured Vehicle or a vehicle of equivalent quality and specification could have been purchased by You at the time of the loss or damage'*. So I've considered if Allianz's offer to settle Mr U's claim is fair and in line with the terms.

It's not the role of our service to put an exact value on a vehicle. When looking into these types of complaints we usually check the relevant trade guides and consider whether the

insurer has made a reasonable offer in line with them. We do also consider information other than trade guides, including adverts.

However, due to the specialist nature of the vehicle the trade guides can't provide valuations. I've considered everything that's been provided by Mr U and Allianz – including his independent valuation. I've considered the features of the truck – including its aluminium bed, crew cab and remote winch.

Mr U's vehicle is a 2004 registration with 467,000km on the clock. His independent valuation is calculated using an average of five vehicle's advertised prices. They ranged from a 2002 model to one from 2014. Their mileages ranged from 231,000 to 247,000km. Allianz said the vehicles weren't comparable. They are largely much newer than Mr U's with significantly less mileage. Considering that I agree it isn't reasonable to use an average of those prices to produce a valuation for Mr U's vehicle.

Allianz felt the nearest comparable vehicle of the five to be a 2009 model with 247,000km. It said its advertised price of £6,750 supports its own valuation. I note it's a single cab model, unlike Mr U's. But it is five years younger with almost half the mileage of Mr U's. And as far as I'm aware it hasn't previously been written off – unlike Mr U's. Records show a category S write off from December 2019.

I've also seen some more recent adverts for trucks of the same make and model found by our investigator. The one most comparable to Mr U's vehicle is a double cab version advertised at just below £9,000. But its four years younger than Mr U's with 45,000km less on the clock. Again as far as I'm aware it hasn't been written off previously.

Mr U's said the truck had renovation and repair work. Allianz said it doesn't accept that as something that would increase a value. It says it's expected that a vehicle will be maintained and repaired to keep it serviceable and presentable. I think that's a fair and reasonable position.

I've considered what Mr U says about being unable to find a suitable replacement based on a valuation of £6,750. I've also taken into account Mr U's personal loss involved in the collision. But having considered everything provided I can't say Allianz's offer to settle the claim was unfair or unreasonable – or not made in line with the terms of his policy. Based on the available evidence I'm satisfied it represented a fair value.

It's unfortunate Mr U returned the cheque, hasn't bought a replacement and has experienced a loss of income. However, I can't fairly say that was Allianz's fault. So I'm not going to require it to use a higher valuation or pay Mr U any compensation.

**My final decision**

For the reasons given above, I don't uphold Mr U's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 5 April 2022.

Daniel Martin  
**Ombudsman**