

The complaint

Miss V complains Ageas Insurance Limited offered her an unfair settlement amount under her motor insurance policy when her car was written off. She says it should honour the offer it made originally and she accepted.

What happened

Miss V has a motor insurance policy covering her classic car. The policy was renewed in June 2021 for around £317 with an excess of £50.

In July 2021, Miss V's car was involved in an incident with another driver so she made a claim on her policy. Ageas says there was a delay of about three weeks in Miss V providing documentation it needed to consider the claim. Miss V says this was caused by Ageas emailing her rather than writing to her by post as her broker usually did – and asking for her driving licence (which at the time wasn't available) rather than the licence of the named driver who was driving at the time.

Once all of the documentation was provided, Ageas valued Miss V's car at £7,000. It says this valuation was based on photos she'd provided and Miss V saying the car was in good condition. The following day, on 30 July 2021, Miss V sent Ageas an email highlighting that she thought the value it had given was low and asking that it looks into it further. She emailed again two days later asking it to give an acceptable offer.

Ageas agreed to look at things again. Around a week later on 9 August 2021, its notes show an engineer valued the car from photos provided by the salvage company and considered it was in poor condition. The notes suggest Miss V would be given an opportunity to accept the original offer otherwise it would be voided and a new – potentially lower value would be set.

Ageas has given us correspondence and recordings of calls that took place with Miss V on 9, 10 and 11 August 2021. She says she accepted the valuation of £7,000 on 9 August 2021 and it was withdrawn after this. Ageas says she'd declined the offer on 30 July 2021, 2 August 2021 and again around 9 August 2021 so it was voided. On 16 August 2021, another engineer physically inspected the car and valued it at around £3250.

Unhappy with Ageas' offer, Miss V made a complaint. But as things weren't resolved, she asked our service to look into it. Our investigator upheld the complaint in part only. She thought Ageas had acted reasonably in withdrawing its offer as Miss V wasn't satisfied with it. But she thought it could've explained things more clearly. And she thought the value of the car should be increased slightly considering trade guides she'd looked at. As Miss V didn't accept what our investigator said, the complaint was passed to me to decide.

I issued a provisional decision in March 2022. Based on what I'd seen so far, I thought the complaint should be upheld in part and Ageas should pay the increased valuation it had agreed to following our investigator's assessment plus £100 as compensation for the trouble and upset it caused. In summary I thought:

- Miss V hadn't accepted Ageas' valuation offer of £7,000 as she continued to dispute it. And I thought Ageas made it clear she couldn't accept it if she wanted it reconsidered.
- Miss V's car was over-valued initially due to her providing incorrect information. So I didn't think it was fair to tell Ageas to honour the offer even if it had been accepted.
- It's not unreasonable for Ageas to rely on trade guides to work out the estimated market value of Miss V's car.
- The adverts Miss V had provided were unreliable as they were for cars that seemed to be in better condition than hers. And I didn't think adverts accurately reflect market value.
- The valuation given by Ageas was reached after Miss V's car had been physically inspected by an engineer and using photos provided by her and the salvage agency. So I wasn't satisfied Ageas had relied on photos that made her car look worse.
- From listening to the call recordings, Ageas had caused Miss V confusion by not explaining things clearly and providing conflicting information – and I didn't think she'd have felt listened to. It also seemed to unnecessarily pressure her to accept or reject the offer when it was clear she was confused.
- Ageas hadn't caused unnecessary or unreasonable delays in valuing Miss V's car.

I asked both parties to make any further comments before I reached a final decision. Ageas accepted my provisional decision and said it would make the payment I'd suggested minus the excess. Miss V didn't accept my provisional decision. She forwarded us emails between herself and Ageas. She asked Ageas for details of the engineers who'd valued her car and for information about exactly when the original valuation was voided. And in response, Ageas listed the damage to her car, that it had reduced the value by £500 and placed it in the salvage category of 'B' and gave the date it considered the offer was voided.

Miss V sent us a number of emails disagreeing with my findings. She explained in summary:

- She accepted the initial offer, didn't ask for it to be increased after 9 August 2021 and simply asked for a second offer which is standard practice.
- Ageas ignored her acceptance of the offer and instructed engineers to revalue her car.
- Ageas didn't withdraw its offer until after she accepted it.
- It shouldn't have taken so long for a 'desktop' valuation to be provided. Waiting for this and calling every day to chase caused her a great deal of distress.
- The Ageas agents – and she highlighted one individual in particular – were rude and unprofessional to her rather than explaining things.
- Ageas didn't make it clear the offer had been withdrawn and it needed to legally. She wasn't given any warnings of what might happen.
- She is devastated and traumatised by what's happened – and she's lost everything.

- Her complaint about the initial delays is irrelevant and Ageas used it as a distraction.
- Whilst she accepted the examples of vehicles she'd provided were in a better condition than hers, she wouldn't be able to find another car in the same condition for the amount suggested in my provisional decision. She wanted Ageas to show this would be possible.
- She accepts the cosmetic condition of the car is disputed. But she says it was in good mechanical order and she's paid for works which haven't been taken into account.
- She wasn't made aware that the value of her car had been reduced by £500.
- She believes an Ageas agent withheld information and didn't provide a second, fair offer.

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 know Miss V is very upset and disappointed with what's happened and I can understand why. But having considered all of her comments very carefully, based on everything I've seen, I've decided to still uphold her complaint in part only. I'll explain why.

I appreciate Miss V firmly believes she didn't continue to dispute the offer of £7,000 after 9 August 2021. But I've listened to the call recordings with her and read the emails she sent and I don't agree. In any event, even if I did agree with what she's said, it doesn't automatically follow that I think Ageas should honour its original offer. I say this because since making that offer, it's found it wasn't a fair valuation based on the actual condition of the car. And I'm satisfied it was valued too high because of inaccurate information Miss V provided. So it wouldn't be fair for me to direct Ageas to honour it and pay more than the car was worth as that would put her in a better position than she was in before the accident.

I've thought very carefully about the time it took for Ageas to provide its final offer to Miss V. From the point of the insured event on 6 July 2021 to when the final offer was communicated on 16 August 2021, around 27 working days had passed. And considering the car had been valued more than once during this time and the engineer needed to carry out a physical inspection and consider a lot of information in order to value the car again, I don't think this length of time is unreasonable.

I know Miss V contacted Ageas to chase for an update on what was happening very regularly and that's because she was very worried about things and felt stressed. But I'm not persuaded she needed to or that it helped move things along. I also have to consider whether Ageas caused unreasonable delays which caused her distress over and above what's normal for this type of claim and I don't think it did in this case.

Miss V says the call handlers she spoke to were rude, unprofessional and didn't explain things to her. And from listening to the calls I've been given, I do agree they could've explained things more clearly to her and ensured she was given consistent information. But Ageas has now agreed to pay Miss V £100 to make up for this. And considering the number of days this happened over – and the conversations that took place, I think that's fair.

Miss V's said she wouldn't be able to find another car for the amount offered. But she's not given any evidence to support this other than the advertised cars which she accepts were in a better condition than hers.

I know Mrs V's provided a number of invoices for works done and parts she's bought for her car. But much of those invoices are for car maintenance – which is necessary to maintain the market value. The valuation was based on a physical inspection of her car (which would've included the works she's done) and trade guides to work out its market value. That's standard practice and I'm not persuaded it's unfair for Ageas to rely on that here.

In the further information Miss V provided to us, Ageas has said the value of her car was reduced by £500 due to pre-existing damage. She says this is unfair and she wasn't made aware of it earlier. And I can't see that she had been. But since coming to our service, Ageas has agreed to increase its offer to £3,688 to reflect the average valuations across different specialist trade guides our investigator looked at. This takes into account the age and mileage of the car. The investigator didn't suggest Ageas apply any reductions after the valuation to reflect pre-existing damage and Ageas' new offer reflects that. So whilst I accept what Ageas has said now might've caused Miss V some confusion, I don't think she's lost out financially as a result.

Putting things right

Overall, to put things right in this case, I think Ageas should increase its valuation offer for Miss V's car to £3,688 and pay Miss V £100 as compensation for the distress, confusion and upset it caused her.

My final decision

For the reasons I've given, I uphold Miss V's complaint in part and direct Ageas Insurance Limited to put things right by doing what I've said above. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 3 June 2022.

Nadya Neve
Ombudsman