

## **The complaint**

Ms M has complained that esure Insurance Limited trading as esure has undervalued her vehicle following a claim she made on her motor insurance policy.

## **What happened**

A third party collided with Ms M, so she submitted a claim to esure. Her vehicle was deemed a total loss and esure offered her £6,256 to settle the claim. It said this represented the market value of her vehicle.

But Ms M doesn't think this offer is fair and wants esure to pay what she thinks the vehicle is worth. Ms M says this vehicle is worth at least £7,500 to £8,500. She says she can't find a similar spec of this model on sale for less than £8k.

Ms M says this specific model of vehicle got an upgrade or a facelift in 2017, and that the value esure has provided is for the older model, not the upgraded model she has. She's provided links to cars selling at a higher price than esure is offering. Ms M says esure's approach is leaving her in a worse off position than she was in before the accident.

An investigator from our service looked at this complaint and said that the market value esure had placed on Ms M's vehicle was fair.

But Ms M doesn't agree, and she's asked for an ombudsman to review the complaint.

I issued a provisional decision on this complaint on 2 March 2023. That provisional decision is below and forms part of my final decision.

## ***What I provisionally 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 planning on upholding this complaint. I'll explain why.*

*Ms M says the value that esure has placed on her vehicle is incorrect and is leaving her in a worse position than she was in pre-accident. She says because small cars are now so popular, there is no scope for negotiation, and she says the guides are not based on her real-world experience. Ms M says the model of vehicle she had underwent a major facelift in 2017 and says esure is not taking this into consideration.*

*This service has an established approach to valuation cases <https://www.financial-ombudsman.org.uk/consumers/complaints-can-help/insurance/motor-insurance/vehicle-valuations-write-offs> And when looking at the valuation placed on a vehicle by an insurance company, I have to consider the approach the insurer has adopted to decide whether the valuation is fair in all the circumstances. It isn't the role of this service to come to an exact valuation for a consumer's vehicle. Our approach is to consider whether esure has settled Ms M's claim in line with the terms and conditions of her policy, fairly and reasonably using our established approach.*

*So, I've considered the terms of the policy and the offer made. And I can see that in the event the vehicle can't be repaired, esure won't pay more than the market value of the vehicle at the time of the loss.*

*Market Value is defined as "the amount you could reasonably have expected to sell your vehicle for on the open market immediately before your accident or loss. Our assessment of the value is based on vehicles of the same make and model and of a similar age, condition and mileage at the time of accident or loss. This value is based on research from motor trade guides including: Glass's, Parkers and CAP. This may not be the price you paid when you purchased the car."*

*I've checked the motor trade guides for the value of Ms M's vehicle at the time of the incident and they produced a range in values from £6,125 to £6,430.*

*Ms M says the model of car she had was an upgrade on the previous model. She says this means it's worth more. She's provided links to a number of 2017 models with similar mileage.*

*So, I did a bit of research on this. Firstly, I contacted a manufacturing dealership and it confirmed an upgrade to this specific make and model in 2017. I then contacted the garage where Ms M bought the vehicle in 2017. It provided the vehicle details from the spec sheet of this car. But this spec sheet didn't specifically confirm if Ms M had the upgraded model. The garage did however advise me that as per its system that the upgraded model came on the market in March/April 2017. I then reviewed the manufacturers website and it had a press release from February 2017. This press release said the upgraded model was premiered at the Geneva International Motor Show on 7-19 March 2017.*

*During my call with the garage that sold Ms M her vehicle I asked it to confirm the date of registration. It said that the vehicle had been registered on 2 February 2017. Because this date is before the official launch date of the upgraded make and model of this vehicle, and because I have no evidence to tell me otherwise, I think it's more likely than not, that Ms M owned the pre upgrade version of this vehicle, the one that came before the March 2017 facelift.*

*Ms M also says that the trade guides the industry use don't reflect real world prices. I agree with Ms M when she says that the car market is volatile, and I agree that small vehicles are popular, and their values have increased. But these impacts are reflected in the motor trade guides. The guides are based on both sales and advertised prices across the UK and I'm confident they are a solid reflection of what's happening on the ground in the UK motor trade.*

*We use four different motor trade guides to make sure we are getting a wide scope of data. As Ms M's argument about the upgrade in models was particularly strong, I used the sample of vehicles listed as recently sold on one particular valuation guide to see if there really was a difference. I used four different real registrations, all registered in 2017, all approximately the same mileage as Ms M's vehicle. What I found was that three of these models were coming in at approximately the same value as what esure was valuing Ms M's car at. The remaining car was a higher value. So, I looked at the registration dates and using the vehicle enquiry service on the UK government website, I can see that the first three cars in my sample were all registered in early 2017. The last one was at the end of the year. This research gives weight to the fact that there was an upgrade in 2017, and this upgrade has impacted the price of 2017 vehicles of similar make and model to Ms M's vehicle. But it suggests that this upgraded model only came to market later in the year and any increase in valuation only affects models registered later in 2017. I would also point out that I used both*

*the registration number and the VIN number on Ms M's specific vehicle to achieve a valuation where possible, and the result was the same.*

*I know Ms M feels she is being left in a worse position by the value esure has placed on her vehicle. But I think her view of the value of her vehicle is being skewed by the fact there were two different versions of the same car available in the same year. This means that there will be a marked difference in prices when you search for the 2017 model of Ms M's vehicle. But based on what I've seen and been told, I think it's more likely than not that Ms M's car was the pre upgrade version of this vehicle. As such, I think the value esure has provided for this vehicle is fair as per the guides and samples I've seen, and its approach is in line with both our approach and its own policy term.*

*I know Ms M will be disappointed. But based on what I've seen I'm not planning on upholding this complaint.*

I sent my provisional decision on 2 March 2023. esure didn't respond. Ms M did.

Ms M says that the vehicle she had was definitely the upgraded model. She has provided us with a photo of her specific car and a description she's found online of the upgraded features. This says the upgraded model has a wider grille, with integrated square fog lights with LED daytime running lights. Ms M says the garage she bought the car from pre-registered the car before she received it and that it was a demonstration version of the upgraded model. She says they bought the car in late 2017 and that esure should be able to verify the model.

We replied to Ms M. We advised that she would need to provide more evidence to support the fact that she says her car is the upgraded model. We suggested that she should contact the selling garage to support what she's saying, and we reminded her of the deadline to respond. Ms M hasn't responded to this email.

### **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.

The photo Ms M sent us is helpful, but it's not clear enough to definitively prove that the model she had is the upgraded one. The upgrades to the vehicle are subtle, so it's hard to find them unless you really look. For example, the upgraded model has a reprofiled bonnet. But if you compare the photo Ms M has provided of her car alongside a photo of the new upgraded model, both the grille and the bonnet of her vehicle look like they were on the older version. The photo of Ms M's vehicle is quite dark, and the car is black. But even if I enlarge the photo, I can't see a reprofiled bonnet, and the indent at the top of the grille isn't as prominent as it is on the upgraded model seen in the attachments Ms M has sent us.

Further to this, when I spoke to Ms M's selling garage before I issued my provisional decision it said it couldn't tell from the vehicle spec sheet which model it sold to Ms M. All it could confirm was that this car was registered in February 2017 and that the upgraded model didn't launch until March 2017. The upgraded model didn't hit the market until later in that year.

As I set out in my provisional decision, my role is to consider whether esure has settled Ms M's claim in line with the terms and conditions of her policy, fairly and reasonably using our established approach. And based on what I've seen on this file, it has. I understand and acknowledge the version of events surrounding the purchase of this vehicle as told to us by Ms M. It may well be that she purchased a demonstration model, and it may feature some of

the upgrades. But even looking at the photo provided, I can't see the main upgrade features. This could be because of the nature of the photo, or maybe they're just not there. But either way, as I can't confirm that Ms M's vehicle is the upgraded model of this vehicle, and no further evidence has been submitted, I can only conclude that esure did value the correct version of the vehicle which was registered in February 2017.

I'm persuaded that the valuation provided by esure is fair and reasonable and was carried out in line with our established approach. As such I see no reason to depart from my findings as set out in my provisional decision above.

### **My final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 17 April 2023.

Derek Dunne  
**Ombudsman**