

## **The complaint**

Mr G complains about the value Ageas Insurance Limited offered for his car after he made a claim on his car insurance policy.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them in detail here. Instead, I'll focus on providing my reasons for my decision.

Ageas valued Mr G's car at £2,430. It then made a deduction of £1,500 for pre-accident damage (being 50% of the actual costs). Mr G says his car wasn't in a bad condition, he admits there were a few dents and scrapes but doesn't think that would have reduced the value of the car by that much.

## **My provisional findings**

I issued my provisional findings on 19 January 2023. I said I intended to uphold the complaint for the following reasons:

- I'm satisfied the initial valuation of the vehicle reflects a fair market value as it is at the top of the range of the motor trade guides which value the vehicle at £2,430, £2,395 and £2,147.
- Ageas was entitled to deduct the excess of £445 Mr G agreed to when taking out the policy.
- I'm not satisfied the deduction that has been made for pre- accident damage is fair in this instance.
- Ageas, as is normal, base its repair calculations on completing manufacturer standard repairs to bring the car back to retail condition. However, it is accepted that on older vehicles especially, it is likely that consumers would usually choose to seek a cheaper repair. As such, we usually say it is reasonable for insurers to deduct 50% of the costs for pre-accident damage.
- Mr G's car was around 12 years old and as such, a normal amount of wear and tear is to be expected. And which, usually, wouldn't necessarily impact the price someone was willing to pay for the vehicle.
- Having looked at the quote for the pre-accident damage repairs I can see it included repairing the driver's door sill, however this is something Mr G said happened in the accident when the car was pushed into a high curb. I can also see it includes costs to fix minor dents and scratches on the passenger side of the car, the rear bumper and the driver's side front and rear wings. Having reviewed photographs for these areas, I'm persuaded they would be classed as normal wear and tear on a vehicle of this age.

- I do accept there is heavy damage to the driver's side front and rear doors and that the front bumper of the vehicle was attached using screws (I assume due to the bumper clips being broken). So, I'm satisfied that these areas of damage are to such an extent it would be reasonable to expect they would reduce the value of the vehicle.
- Overall, in this case, I think it would be reasonable for Ageas to deduct 30% of the cost of repairs, which would be around £1,000.
- To put things right, Ageas should make a further payment to Mr G of £500 to reflect the reduction in pre-accident damage repair costs.

### **Responses to my provisional decision**

Mr G responded saying he accepted my findings.

Ageas responded saying it didn't agree. It said that had the car been looked after then it should have little wear and tear. However, the damage to the bumper and doors clearly shows the car has not been maintained and has had previous poor repairs. It provided a new report giving costings with the driver's door sill removed but didn't agree with my proposal as to how the complaint should be settled.

### **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've considered what Ageas have said but I'm not minded to change my outcome or intended settlement.

I've acknowledged in my provisional decision the car does have some heavy damage which I would not class as wear and tear. I think Ageas is entitled to deduct a proportion of the costs of repairing those as pre accident damage.

However, I don't think it is fair to say that simply because that damage is present, all other areas of damage on the car should then be costed for and deducted as pre accident damage. The car is 12 years old, and an amount of fair wear and tear is expected.

So for the same reasons as set out in my provisional decision, I uphold this complaint. To put things right, Ageas should make a further payment to Mr G of £500 to reflect the reduction in pre-accident damage repair costs.

### **My final decision**

My final decision is that I uphold Mr G's complaint against Ageas Insurance Limited. It should make an additional payment of £500 to Mr G to reflect a fair settlement value of his car.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 6 March 2023.

Alison Gore  
**Ombudsman**