

The complaint

Mr W complains about the value esure Insurance Limited placed on his car after he made a claim on his motor insurance policy.

What happened

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

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 investigator concluded the complaint should be upheld. Based on the values provided by trade guides and other supporting evidence she thought esure should increase the valuation of the car from £3,761 to £4,322.

Having considered the evidence available to me, and the additional arguments esure has provided, I think the conclusion reached by the investigator is a fair and reasonable one for the following reasons:

- While this service does have an established approach of using trade guides to help determine if an insurer has offered a fair market value for a vehicle, we also look at complaints on their own individual circumstances. Therefore, it won't always be appropriate to look at the trade guides in isolation and we will take additional information into account.
- Here the trade guides provide a range of values from £3,475 to £4,680.
- Supporting information suggests similar cars are generally being advertised for around £4,400, a fair price is described by one platform as being £4,475 and an 'average' as being £4,322.
- While advertised prices don't reflect actual sales prices, they do give an indication of potential market value. And they are helpful in situations such as this where a wide range is given by the trade guides with no obvious indications of what a fair price might be.
- I think the information available supports the valuation should be increased and a fair market value is likely to be within the higher range of the trade guides. I think £4,322 more likely than not reflects a fair market value for Mr W's car.

Putting things right

To put things right esure should pay an amount equivalent to the difference in the two valuations to Mr W.

It should also add interest at 8% simple per annum on that amount from the date it made the original valuation payment to Mr W, to the date of settlement.

My final decision

My final decision is that I uphold Mr W's complaint against esure Insurance Limited. I direct it to put matters right as I have set out in the section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 27 April 2023.

Alison Gore
Ombudsman