

The complaint

Ms C complains Ageas Insurance Limited provided an unfair settlement to her motor insurance claim.

What happened

Ms C's car was involved in a car park fire. The damage to it couldn't be confirmed. Ageas, her motor insurer, treated the car as a total loss. It waived her policy excess. She didn't accept its initial market value offer, of around £7,000, to settle the claim. In response Ageas considered optional extras Ms C said the car had. However, she wasn't satisfied with its revised market value offer of £9,568. She requested a settlement based on a market value of £12,000.

UKI issued a complaint response. It said its settlement represents a fair market value. It explained its value had been based on trade guide values – plus £1,748 to reflect the depreciated worth of the car's added optional extras.

Ms C wasn't satisfied with Ageas response. So she came to this service. She wants a settlement based on a higher market value – around £12,000. Our Investigator felt UKI's settlement offer fairly reflected the market value of Ms C's vehicle. So he didn't recommend it do anything differently. Ms C didn't accept that outcome, 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.

As this is an informal service I'm not going to respond here to every point or piece of evidence Ms C and Ageas have provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

Ms C's policy covers her car against loss or damage to her car caused by fire. The terms say Ageas will decide either to have the damage repaired, pay to replace what is damaged or pay an amount equal to the loss.

The policy also says Ageas will not pay more than the market value of the vehicle at the time of the loss. Market value is defined by the policy as the cost of replacing the car with another of the same make, specification, model, age, mileage and condition as the car immediately before the loss.

So I've considered if Ageas' offer to settle Ms C's claim is fair and in line with these terms. When looking into these types of complaints we check trade guides, adverts and other relevant evidence. We consider whether the insurer has made a reasonable offer in line with the evidence. We generally find the guides most persuasive as they're based on nationwide

research of likely selling prices, so they're more reliable than individual adverts. But as I've said we do consider other evidence.

I've considered the valuations given by four trade guides for Ms C's limited-edition model. The highest were £9,010 and £9,710. I'm satisfied Ageas' offer is broadly equivalent to the highest of those.

Ms C doesn't accept this to be a fair reflection of the value of her car. She's referred to its high specification. She's provided a list of these factory fitted optional extras. So I've considered the available evidence to decide if it would be fairer to settle based on a higher market value.

Ms C's provided a couple of adverts for her limited-edition model of car. These date from a month or so after the loss. I've also looked at current adverts for her limited-edition model. Having done so, I feel Ageas' offer reflects a fair market value (as defined by the policy).

One of Ms C's adverts has an asking price of £11,250. She points out the example has a lower specification and is a year older. I note that. But, on the other hand, the mileage is significantly lower – around 65,500 compared to Ms C's with 83,000.

Her second advert has an asking price of £10,000. It's of the same year and similar mileage. Ms C points out it doesn't have the same level of specification. Unfortunately, the document she's provided doesn't show the full specification. The link to the website no longer works so I can't see it. But I can see, from what has been presented, that it does have at least some of the available optional extras – including, like Ms C's, a sunroof and branded hi-fi.

A link on Ms C's adverts allowed me to see current adverts for her limited-edition model. An example, of the same year of registration, is offered at a significantly higher price than Ageas' proposed settlement. However, it's of unusually low mileage – only 22,000. So I'm discounting that one.

There were four examples offered in the range of £9,500 to £9,999 – so broadly equivalent to Ageas' market value offer. One's of the same year, but three are one or two years newer. The mileage for two was very similar to Ms C's, but the others were 20,000 lower.

These examples don't have the exact same specifications as Ms C's. One was described as a rare basic example (of the limited-edition model) – but it was 2 years newer with 20,000 less miles. The others had a wide range of factory extras – including many of those found on Ms C's car.

I accept some optional extras can add value to a car, however some may not be desirable for other buyers. I also feel the impact on the value is likely to decrease over the years. And Ms C's car was 12 or so years old. When this and the various factors are considered, particularly the impact of mileage on value, I'm not persuaded Ageas' settlement should be higher. Instead I'm satisfied it, by offering broadly the equivalent of the highest guide, has proposed a fair settlement. So I'm not going to require it to pay Ms C anything extra to settle her claim.

Ms C's requested that Ageas be required, should the car turn out not to have been destroyed, to allow her to buy it back. I'm unaware of the extent of the damage. Ageas has said that considering the circumstances the vehicle's unlikely to be safe to be used. However, it has said its willing to accept reimbursement of the settlement if Ms C would like to wait for confirmation of the condition of the car. That seems reasonable. She should contact Ageas if she wishes to pursue this.

Alternatively if Ms C wishes to continue with the market value settlement, but obtain the car's salvage in exchange for payment of its value, she should contact Ageas. Whether the insurer should allow this would depend on the circumstances - including the category of total loss. As that hasn't, as far as I'm aware, been assessed I can't make a determination on the matter here.

Finally Ms C raised concern at Ageas' settlement process. She feels it rushed the matter and failed to undertake proper consideration. She's given examples of it ignoring evidence she provided and issuing incomplete letters.

Ageas may have processed her settlement quickly. It seems, due to the circumstances, of the loss it may have treated Ms C's (and presumably some others) a little differently than it otherwise would. But I can't say she lost out financially or otherwise as a result. Within a fairly short period Ageas provided an increased offer in response to Ms C's point about the specification of the car. As I've said I feel that was a fair offer, even if it hadn't taken account of everything she provided.

In addition, because of the nature of the loss, Ageas has said it waived the policy excess, allowed Ms C to retain her no-claims bonus and provided a hire vehicle that wasn't provided by the terms of cover. So I can't say that, overall, Ageas has treated Ms C unfairly or unreasonably when handling her claim.

My final decision

For the reasons given above, I don't uphold Ms C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 20 February 2024.

Daniel Martin
Ombudsman