

## **The complaint**

Mr B complains Acromas Insurance Company Limited hasn't offered a fair value for his caravan following it being written off.

## **What happened**

The details of the claim are well known to both parties, so I won't repeat them again here. Instead, I'll summarise the background and focus on the reasons for my decision.

Mr B insured his caravan with Acromas under a caravan insurance policy. In July 2023, Mr B's car broke down and the recovery service which collected him damaged his caravan and it was written off. Acromas offered Mr B £750 to settle this part of his claim. Mr B wasn't happy with this, so he complained, and it increased its offer to £1,000. Acromas also agreed the service given to Mr B had fallen below the level he was entitled to expect and offered Mr B £150 compensation for the distress and inconvenience caused by its service.

Mr B didn't agree so he brought the complaint to this service for an independent review.

An Investigator at this service looked into matters and thought the offer made by Acromas was fair and reasonable. Mr B didn't agree – he says Acromas should offer £4,300 as he can't replace his caravan for anything less than this and the advert relied on by Acromas would barely be suitable for a building site office. He also feels this service is biased.

As an agreement couldn't be reached, the matter was passed to me for a 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.

Having done so, I'm not upholding Mr B's complaint. I consider the Investigator explained the reasons for this clearly and thoroughly in their view and correspondence.

It is my role is to decide whether Acromas has applied the policy terms and conditions when reaching its market value and whether it has done so in a fair and reasonable way. Based on what I've seen, I'm satisfied it has.

Where a caravan has been written off, it's usual for the insurer to pay the consumer the market value of the caravan immediately before the accident. This is what Mr B's policy provides. It defines the market value as follows.

*'The cost of replacing your caravan, equipment or contents with items of a similar type, age and condition as the items were in immediately before the loss, theft or damage. Where we are unable to estimate the market value of your caravan, contents and/or equipment we will use the nearest market equivalent for comparison.'*

This means Acromas will pay the value of the caravan immediately before the damage which led to it being written off which, here, it determined to be £1,000.

As the Investigator explained, none of the usual motor trade guides used by this Service have a value for Mr B's caravan. I've therefore carefully considered the engineers report provided by Acromas and advert evidence referred to in the same. Having done so, I've noted the valuation offered by Acromas is above the valuation given by the engineer and reflects the highest advert available for a caravan similar to Mr B's in terms of make, model and age found at the time the report was compiled.

I've also taken into account the evidence from Mr B which included adverts with a range in price from £5,450 to £7,450. But I don't find this is relevant and persuasive evidence Acromas' offer is unfair in this matter. I say this because the adverts from Mr B are for caravans which are different specifications, makes, models and ages to the one he'd insured with Acromas, some by more than 15 years. I appreciate Mr B says the newer models are like his caravan due to the way it was stored and modernised with more than £4,500 being spent on it in the past 11 years. But we don't generally consider newer or different models to be fair comparisons, nor that maintenance increases a caravan's value. I note Mr B has talked about improvements he's made. However, given the caravan was nearly 30 years old at the time of the claim, I don't find it likely these improvements would've led to any noticeable increase in value, particularly as they'd been carried out over a number of years and would've depreciated over time and through use.

Taking everything into account, I'm satisfied Acromas' offer is fair and reasonable in all the circumstances.

I recognise this decision will disappoint Mr B but my decision ends what we – in seeking to resolve his dispute with Acromas - can do for him.

### **My final decision**

For the reasons set out above, my final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 22 February 2024.

Rebecca Ellis  
**Ombudsman**