

The complaint

Mr M complains about how Ageas Insurance Limited settled a claim he made on his motor insurance policy.

What happened

Mr M held a motor insurance policy with Ageas. When his vehicle was involved in an accident, he made a claim to Ageas for the damage. Ageas accepted the claim and wrote Mr M's vehicle off. To settle his claim, it paid him £19,171.20, which it said represented the market value of his vehicle at the time of the accident.

Mr M didn't think this was a fair offer. He thought a fairer offer would be to pay him £23,100 and provided a number of adverts which he felt supported his position. He also thought Ageas should pay for his satellite navigation (satnav) system. And he thought their whole claim experience was poor.

Ageas didn't change its stance, so, Mr M brought his complaint here.

One of our Investigators thought it should be upheld. She found Mr M's adverts persuasive and recommended Ageas increase its offer to £22,844. She didn't think it needed to pay anything toward the satnav. But she thought Ageas should pay Mr M £100 compensation for the distress and inconvenience caused by its handling of his claim.

Mr M agreed with our Investigator's findings. Ageas didn't, so, the case has come to me.

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 upholding it. I'll explain why.

- Mr M's policy says the most it will pay him on any claim is the market value of his vehicle. And it defines the market value as *"The cost of replacing your vehicle, with one that is of similar make, model, year, mileage and condition. We base this on market prices at the time of the loss"*.
- Determining the market value of a vehicle isn't an exact science. With so many factors to consider, it's not always possible to find a vehicle up for sale that's an exact match for the one that's lost.
- Our approach as a service is to consider the available evidence provided to us from both parties to support their valuation. As a starting point, we use a number of motor trade guides. We consider these to be often the most persuasive evidence. But we are able to be persuaded by other evidence on a case-by-case basis.
- In this case, the available trade guides returned valuations of between £18,829.20

and £20,095. So, if there was no other evidence indicating these values weren't fair, I'd likely be recommending Ageas pay Mr M an amount equal to the highest value provided by the guides.

- But in this case, other evidence has been provided, and I find some of the adverts provided by Mr M persuasive. There are a number of them which are for vehicles similar to his, and they were provided around the time of the loss. So, with this in mind, I think weight should be given to these adverts. And I think a fair offer would be to use the average of the adverts for the vehicles most similar to Mr M's. Doing so returns a value of £22,844. I consider that a fairer representation of the value of Mr M's vehicle
- Like our Investigator, I'm not persuaded the satnav increased the vehicle's value, and don't think it can be claimed for separately under any other section of the policy. It formed part of the vehicle, and as mentioned above, the most Ageas are obliged to pay is the market value of that vehicle.
- Not getting a fair valuation, along with the times Mr M had to chase progress and payment would cause both distress and inconvenience. I'm satisfied £100 is fair compensation for that distress and inconvenience.

Putting things right

Ageas has already paid Mr M £19,171.20, so to put things right it should pay him the difference between that and what I consider a fairer reflection of the market value of his vehicle. That amounts to £3,672.80. Simple interest of 8% should be added to this amount.

Ageas should also pay Mr M £100 compensation unless it's done this already.

My final decision

For the reasons set out above, I uphold this complaint. To put things right, I require Ageas Insurance Limited to:

- Pay Mr M a further £3,672.80. Simple interest should be added to the payment at a rate of 8%. Interest should be calculated from the date Ageas paid Mr M the interim payment, to the date it pays him this amount.
- Pay Mr M £100 compensation for the distress and inconvenience caused by its handling of this claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 February 2024.

Joe Thornley
Ombudsman