

## The complaint

Miss M complains that when she made a claim on her motor insurance policy after an accident, Aviva Insurance Limited offered her too little for her written-off car.

## What happened

Aviva looked at the valuations set out in two of the national trade guides and also found adverts for cars that it thought were similar to Miss M's car. It offered her £8,000 to settle the claim, but Miss M believed her car was worth at least £9,000.

One of our investigators reviewed Miss M's complaint. She consulted four of the guides for their valuations and looked at the evidence provided by Aviva in support of its offer. She concluded that the offer was fair and seemed to reflect the market value of Miss M's car.

Miss M said Aviva's offer wasn't enough to replace her car with one of the same make, model, mileage, colour, and engine variant. She said that as the accident wasn't her fault, she shouldn't be left with a sub-standard replacement car. She said she'd been offered a trade price for it, although she was a retail customer. Recently, Miss M also said she wanted the option to buy the car back, so she could have it repaired by a reputable garage.

As there was no agreement, the complaint was passed to me for review.

## 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.

We think the fairest way for insurers to establish the likely market value of a vehicle is to review the valuations provided by the national trade guides. Their figures are based on extensive research of the likely selling prices of vehicles nationwide. The figures quoted in the guides are for trade and retail sales. We checked that Aviva had used the *retail* valuations it found in the two guides it used as the basis for its offer - supported by the market research it carried out on sales prices quoted by dealerships for similar vehicles.

The average of the retail valuations Aviva got from the guides was £7,307 (the highest was £7,590). But Aviva also took into account the sales prices of three cars of the same year, make, model and engine specification as Miss M's car, with similar mileage. The highest asking price for these cars was £7,995 – which is in line with Aviva's offer for Miss M's car. We checked four of the trade guides, using the correct make, model, year of manufacture, engine specification and mileage. We found the same retail valuation Aviva had found in one of them. The retail valuation quoted in the second guide Aviva used had reduced slightly since Aviva consulted it. Such changes often occur, as the valuations are updated frequently, but the difference was minimal (£129).

The other two guides we looked at showed retail valuations of £8,282 and £8,186, so the average of the four valuations in our research was £7,738. And even removing the lowest valuation from the calculation, the average was only £8,019, still well below Miss M's expectations.

Based on all the details I've seen, I think Aviva's prompt offer of £8,000 to Miss M was fair. It's close to the highest retail valuation in the guides and to the highest sales price it found. In the absence of any evidence to the contrary, I think it reflects the likely market value of Miss M's car. I appreciate that she hasn't found a replacement car she believes is equivalent to hers, but the policy only requires Aviva to provide a market value settlement sum.

Recently Miss M told us she'd like to retain her car and have it repaired. I haven't seen anything to show that she's raised this issue previously with Aviva. But as it appears that the car had no structural damage, we'd expect Aviva to consider any request Miss M makes and adjust the settlement offer as appropriate.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 5 June 2024.

Susan Ewins  
**Ombudsman**