

The complaint

Mr R has complained about West Bay Insurance Plc. He isn't happy about the valuation of his campervan after it was stolen, and he made a claim under his motor insurance policy.

What happened

Mr R's campervan was stolen, and he reported the theft to the police and his insurer. When West Bay looked to settle the claim Mr R wasn't happy with the valuation of his campervan.

West Bay looked to value Mr R's campervan after it was written off by looking at a few of the various trade valuation guides in order to gauge the market value of his campervan. It offered Mr R £15,875, which stemmed from taking the lowest valuation of the three guides it found for his van and then looking to pay for some, but not all, of the additions that were made to the van to make it a campervan. As Mr R wasn't happy about the overall valuation, maintaining that he bought the van for more than this and that he had spent almost £10,000 converting the van which he had insured for £30,000.

Our Investigator looked into things for Mr R and upheld his complaint. She looked at the three valuation guides that West Bay had provided for Mr R's van from around the time of theft and thought the fairest thing to do in this instance was to pay Mr R the highest of the trade guide valuations West Bay found (£13,960). This was because she didn't think West Bay had provided sufficient evidence to show that a lesser valuation was fair. Additionally, she thought that West Bay should review the list and evidence Mr R provided showing the costs incurred converting the van into a campervan and pay 8% simple interest on the difference between the interim payment West Bay paid and the final settlement figure. Plus, she thought it should pay £200 by way of compensation for the clear stress and inconvenience Mr R had faced by not being paid the full amount and being without a campervan.

West Bay acknowledged that it should pay more by way of market value for the van than it had originally offered and agreed to pay £200 by way of compensation. But it thought the fairest thing to do was to pay a percentage reduction for the additional items bought in line with the age of the van. But Mr R didn't think this was fair either, so the matter has been 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.

Having done so, I agree that this complaint should be upheld. I'll explain why.

As West Bay has accepted that the market value offer for Mr R's van should be increased to £13,960 and Mr R accepts this I don't propose to go over this in detail again here. I'll simply ask West Bay to pay the difference to Mr R plus 8% simple interest for the time he has been without the shortfall. But I will focus on the part of this complaint that is disputed by West Bay – the valuation placed on the additional upgrades Mr R made to the van to make it a campervan.

It isn't easy to value a campervan like Mr R's which he had converted but West Bay offered the bottom of the three guides that were available just for the van, so its valuation was

always on the low side. It also offered to pay for some, but not all, of the additions made to the van (over £4,000) before Mr R complained to this Service. Since our Investigator suggested that West Bay should review the full list and evidence provided by Mr R of the alterations and additions he made to the van it has gone on to agree that it should do this, but by applying a depreciation calculation. It acknowledged that it should have done this initially and highlighted that Mr R didn't have a new for old policy.

While I accept West Bay's point, and it is a pity it didn't approach the claim more comprehensively initially by looking at all the alterations made to the van. But I don't think it would be fair for it to offer full value for some parts previously and now move to apply a depreciation calculation for these alongside items it didn't consider previously as part of its settlement offer. And I accept Mr R's point that the items were purchased later so it certainly wouldn't be fair to apply depreciation in line with the age of the van as the conversion was undertaken recently while the van is a few years old. But either way, I don't think it would be fair to apply the depreciation as it wouldn't put Mr R back into the position he was in before the theft.

Mr R's campervan was insured for around £30,000 and it's clear that as a van it is worth around £13,960. And Mr R looks to have spent over £9,000 in looking to convert his van having spent over £18,000 when he bought the van second hand a year before. So, I think it feels fair for West Bay to consider Mr R's list and evidence provided and cover the associated costs incurred in converting the van which should put him back into the position he was in before the theft.

Finally, I agree that Mr R should be compensated. I say this as he has clearly been inconvenienced by West Bay's delay and undervaluation here. And he relied heavily on his campervan, including as accommodation for work at times, so I agree £200 compensation feels fair.

My final decision

It follows, for the reasons given above, that I uphold this complaint. I require West Bay Insurance Plc to

- Pay Mr R £13,960 as a fair market value for his van,
- Review the list provided by Mr R, and cover all costs associated with converting the van into a campervan,
- Pay 8% simple interest on the difference between the interim and the final payment from the date of initial payment until the date of final settlement, and
- Pay £200 compensation for the inconvenience and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 17 September 2024.

Colin Keegan
Ombudsman