

## The complaint

Mr W is unhappy with esure Insurance Limited's valuation of his vehicle after it was stolen.

## What happened

In September 2023 Mr W's vehicle was stolen so he made a claim under the motor insurance policy he held with esure. They accepted the claim and as the vehicle wasn't recovered offered Mr W £11,555. Mr W felt this wasn't enough and should be in the region of £14,500 to £15,500 so asked this service to look into it.

Our investigator didn't feel esure's offer was fair and reasonable. Having taken account of the guides and information provided, he felt a fairer market value for the vehicle would be £12,295. So he asked esure to pay a further £740 plus 8% simple interest. esure felt they had valued the vehicle fairly so asked for an ombudsman's decision. I reviewed the information provided by both parties and issued a provisional decision on 17 June 2024 which said:

*"esure have a responsibility to handle claims promptly and fairly and they shouldn't decline a claim unreasonably. They've accepted the claim and offered what they consider to be a fair market value for Mr W's vehicle.*

*My role is to consider if esure have acted fairly and reasonably and have offered Mr W a fair market value for his vehicle that is in line with the policy terms and conditions. To do this I've considered various trade valuation guides and have also considered the additional information provided by both Mr W and esure.*

*The terms and conditions of the policy define market value as:*

*"The market value is the amount you could reasonably have expected to sell your car for on the open market immediately before your accident or loss. Our assessment of the value is based on cars of the same make and model and of a similar age, condition and mileage at the time of accident or loss. This value is based on research from motor trade guides including: Glass's, Parkers and CAP. This may not be the price you paid when you purchased the car"*

*esure have provided the guide valuations they used to value Mr W's vehicle, and these are within the region of the guide valuations our investigator obtained. I can also see the correct vehicle information has been used for these guides, so I'm satisfied the values obtained of £12,777, £10,750 and £11,137 are relevant to Mr W's vehicle.*

*Looking at the guide values esure have provided I'm not persuaded that their offer of £11,555 is fair. The guide valuations vary significantly from the lowest to highest value and I don't think their explanation as to why this is a fair offer is reasonable. Our approach to valuations has changed and to be satisfied their offer represents a fair valuation I'd need to see other evidence such as adverts for cars for sale around the time of the loss or expert reports, to support that lower valuation is appropriate.*

*esure have provided some adverts that I have considered. However, the ones they've provided from Auto Trader range from £11,590 – £12,995 and these are for similar vehicles but a different year. They've also provided two additional adverts one priced at £10,495 but that appears to be the same vehicle specification but with additional modifications so not something I consider to be a fair comparison. The other advert meets the vehicle specifications and is priced at £10,898. Whilst this is below esure's valuation I don't believe this advert alone supports that their valuation is a fair market value and note that this has only just been produced some months after the incident, so I'm not persuaded that this was from the time of the theft.*

*Mr W has also provided adverts to support his belief that the vehicle is worth more in the region of £14,400- £15,500 but they don't provide the specific vehicle information such as mileage, so I'm not persuaded they're a fair representative value for his vehicle.*

*As well as the general guide valuations esure used our investigator has obtained a valuation from Auto Trader which valued the vehicle at £12,295. Given there isn't any other evidence to persuade me that a valuation in line with the higher valuations produced is inappropriate, and to avoid any detriment to Mr W, the highest valuation produced by the guides is my starting point. And considering the overall variation of values produced, and the lack of relevant other evidence provided by esure, I consider that a more appropriate fair market valuation would be the highest of the guides which is £12,777. Mr W should also be paid 8% simple interest for the time he has been without the additional money owed.*

*I'm aware esure have already made an interim payment of £11,205 which was the full £11,555 they offered minus the excess. So esure need only pay the remaining outstanding plus interest on that amount.*

*My provisional decision*

*For the reasons explained, my provisional decision is that esure should pay Mr W £1,222 plus 8% simple interest from the date of the initial settlement payment to the date it's paid."*

### **Responses to my provisional decision**

Mr W accepted the decision and esure didn't have any further evidence or comments for my consideration.

### **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 I have received no further evidence or comments for consideration, I see no reason to deviate from my provisional thoughts that a more appropriate fair market valuation would be the highest of the guides which is £12,777. esure have already made an interim payment to Mr W so only need to pay the remaining outstanding plus interest.

### **My final decision**

My final decision is that esure Insurance Limited should pay Mr W £1,222 plus 8% simple interest from the date of the initial settlement payment to the date it's paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 23 July 2024.

Karin Hutchinson  
**Ombudsman**