

The complaint

Mr M was unhappy with the valuation Ageas Insurance Limited (“Ageas”) placed on his vehicle after it was stolen. He was disappointed with the customer service he received under his motor policy.

What happened

When Mr M made a claim, Ageas investigated the details of the claim and agreed to pay Mr M market value for his vehicle, less the policy excess.

In its final response, Ageas said it used industry guides to assess a fair price for the vehicle. The two guide prices were £18,800 and £14,701. Ageas averaged these guide prices and offered a settlement of £16,750 less the £600 policy excess.

Mr M said he can’t buy a car like what he owned for the settlement value that has been offered. He didn’t think Ageas provided opportunity for him to challenge the settlement offered and thought it had too quickly referred him to our service.

Our investigator decided not to uphold the complaint. She thought Ageas had set a fair valuation based upon the industry guides and supported its position with adverts of cars for similar prices, albeit with slightly higher mileage. Mr M disagreed, so the case has been referred to an ombudsman.

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.

I’ve noted Mr M was concerned with an increase to his future insurance premiums. However, Mr M needs to make Ageas aware of any complaints before our service can look at them. I can’t see Ageas has yet been made aware of this issue. So, as I don’t have jurisdiction to consider this, I won’t comment on this point.

I’ve considered the valuation used in making the cash settlement to Mr M. The policy sets out that it will pay market value for the vehicle, with market value being defined as *“the cost of replacing the car with another of the same make, specification, model, age, mileage and condition as the car immediately before the loss or damage happened.”*

So, I’ve considered the process Ageas has followed to see if it has met the terms of its policy. I can see it used two well-known industry valuation guides to assess the value of the vehicle. The valuations are for cars that are similar in specification and condition to Mr M’s. Ageas has supplemented this information by highlighting advertised prices for similar cars at the time of the loss (ranging from £15,950 to £16,440).

Using this information, Ageas used the average valuation of the two guides (£16,750) which was still slightly above the advertised prices.

Our service has access to these industry tools, so I've also checked the industry guides myself. I've compared these values with the information Ageas has provided, and I think the figures put forward by Ageas are reasonable. I've sought valuations from two other guides. These guides returned values of £16,501 and £16,176.

Therefore, I think Ageas has been fair in offering £16,750 for the stolen vehicle – this is higher than three of the guide prices and higher than the advertised prices at the time of the loss.

I appreciate Mr M is disappointed by the valuation that has been placed on his vehicle. However, as Ageas has followed the process our service supports to value the vehicle, I can't say it has been unreasonable in its approach. Therefore, I don't uphold this complaint. I appreciate Mr M thinks his car was in good condition. I've seen a video of his car and it is well maintained. However, I think Ageas has taken this into account by offering a valuation higher than the advertised prices it found.

I appreciate Mr M said he didn't want to buy a car from these types of garages, but Ageas' liability was to pay market price for his car and I think the evidence is persuasive that Mr M could've purchased a replacement car for the settlement value.

I've noted Mr M was unhappy Ageas wouldn't allow a greater discussion about the valuation of his vehicle. However, as Ageas has followed the accepted industry process and it didn't want to change its valuation based on this approach, I'm not sure what else it could've done. It has referred Mr M to our service, which is the normal route consumers have, to escalate their complaints. So, I don't think Ageas has done anything wrong, so I don't uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint. I don't require Ageas Insurance Limited to do anything else.

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

Pete Averill
Ombudsman