

The complaint

Mr P has complained about the market valuation Ageas Insurance Limited offered him under his motor policy when his car was deemed a total loss following an accident. He has also complained about the lack of communication from Ageas over his claim.

What happened

Mr P's car was damaged in an accident in December 2023. Ageas decided it was uneconomical to repair so it was deemed a total loss.

Ultimately following the review of the industry trade guides Ageas offered Mr P the sum of £5,573 as the market value of his car.

Mr P didn't consider this was enough given the prices varying adverts had for his type of car. So, he brought his complaint to us.

The investigator noted Ageas hadn't addressed Mr P's complaints about the lack of communication and consequent delays. So, on discussion with Ageas about this, Ageas offered to pay Mr P £150 compensation.

Subsequently the investigator was of the view that the valuation offered by Ageas was reasonable and that the compensation amount offered for the lack of communication and delays of £150 was also reasonable.

Mr P disagreed so his complaint has been passed to me to decide.

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 this complaint along the same lines as the investigator. I'll now explain why.

As Mr P is aware, this service doesn't provide a car valuation service. So, our role is solely to assess whether Mr P's insurer, Ageas, provided a 'reasonable' valuation bearing in mind what is insured under the policy is the 'market value' of the car owned by the policyholder, Mr P here.

Further the price at which cars are advertised for sale by varying retailers and private sellers are often not sold for those exact prices as invariably some negotiations occur. So, whilst I appreciate all the research Mr P has done and all the examples of car adverts that he has provided, these are prices for sale so don't necessarily indicate the actual selling price of the car, just the price the seller would like to get for the car. Also, many of these adverts are undated so they don't categorically show me these are the selling prices for the car at the date Mr P's car was in the accident. All Ageas is required to do under the policy is provide

the market valuation of the car 'at the date of loss', not some eight or nine months later. So, consequently the valuation of cars is not an exact science by any means.

The industry trade guides record the actual selling price of cars. They can also provide those sale prices at the date of loss. As a result, this service believes the insurer should look at, at least three if not four trade guides for the price of their insured's car. Ageas did this, so I consider that's reasonable.

Further given how much the second-hand car market has changed over recent years, this service is of the view the insurer should offer the highest valuation on those trade guides. Ageas also did this, which again I consider is reasonable.

The investigator also generated his own valuations from the trade guides and the prices Ageas found remained the highest valuation for Mr P's car. Ageas also provided adverts it had found at the time of the total loss of Mr P's car to back up the prices in the trade guides, which I also consider to be reasonable. So essentially, all that tells me that the amount that Ageas decided was the market value of Mr P's car, was fair. As it is fair, I don't consider Ageas did anything wrong in what it decided was a reasonable market valuation figure for Mr P's car, even though I appreciate Mr P's strength of feeling on the matter.

I can see that when Ageas could see that Mr P remained of the view that what it was offering wasn't enough for the market value of his car, it told him to take the amount as an interim payment. Mr P found this distressing as he felt he was being forced into accepting a lower amount. However, it was at this stage just an 'interim' payment. That didn't mean it was in full and final settlement and Mr P having those funds was far better than him having just no funds at all at that stage. Hence why it was termed an 'interim payment'. Mr P could still bring his complaint to us to adjudicate for him, but at least in the meantime he had £5,573.

When there is a dispute over market valuation, it's standard insurance industry practice to permit the policyholder to have the amount the insurer offered as an 'interim payment' whilst they bring their complaint to this service. And again, this service considers this is a reasonable thing for an insurer to do. As it's far better the policyholder like Mr P here, has the actual cash sum rather than Ageas retaining those funds given Mr P disagreed with the amount. So, I also don't think Ageas was being unreasonable or unfair to Mr P at this time.

I do consider Ageas did let Mr P down as regards not communicating with him coherently to ensure he understood the process and then just ignoring his emails. I can appreciate this understandably caused Mr P some considerable distress given his condition. As Mr P explained he hadn't been involved in an accident for 30 years and he simply didn't know how it all worked as regards making a claim to Ageas and worse still having his car written off.

Accidents are incredibly distressing, more so when your car ends up being destroyed too. So, accidents cause a significant amount of distress, upset and a lot of inconvenience too. It's hard to separate that upset from then the stress, inconvenience and indeed frustration with dealing with the insurer, who have processes to follow which are often not understood. But Ageas had no involvement in the accident that Mr P had, it was only the other driver who was involved in that. I consider this is a significant point for Mr P to understand. So, from reading what Mr P said and reading Ageas file and seeing what it did and indeed what it didn't do, I can see it did ignore Mr P's emails. It also could have explained what was going on at the relevant time, explaining why the hire car was going to be taken back etc. This would have helped Mr P considerably. Therefore, it's right that it pays compensation to Mr P.

I consider the amount of £150 compensation to be fair and reasonable here. It's in line with our approach. I appreciate and understand Mr P believes he should be awarded a higher

amount of compensation. However, he was given the market value of his car which I now consider to be a reasonable valuation and he was given a hire car to use until the decision to deem his car a total loss was made. The rest of the distress in my view on balance appears to emanate from the accident having occurred which then put Mr P into the situation of having to claim from his insurers Ageas, deal with a hire car and all the hassle any insurance claim involves. So, taking everything into account I consider the amount of £150 compensation to be fair and reasonable for Ageas' lack of communication with Mr P.

My final decision

So, for these reasons, it's my final decision that I uphold this complaint.

I now require Ageas Insurance Limited to pay Mr P the sum of £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 26 November 2024.

Rona Doyle
Ombudsman