DRN-5339166

The complaint

Mr G complains that Ageas Insurance Limited mishandled his claim on a motor insurance policy.

What happened

The subject matter of the insurance, the claim and the complaint is a luxury sports utility vehicle of a limited edition, with a large diesel engine and first registered in 2010.

Mr G acquired the vehicle in about 2020.

For the year from August 2024, Mr G had the vehicle insured on a comprehensive policy with Ageas. Any claim for damage (other than a glass claim) was subject to an excess of £450.00.

By December 2024, the vehicle had a recorded mileage of about 193,000. Mr G reported that in mid-December 2024, a third party driver damaged the vehicle.

Ageas said the vehicle was a total loss and its pre-accident value had been £7,230.00.

Mr G complained to Ageas that it was under-valuing the car. By a final response dated 20 January 2025, Ageas turned down the complaint, referring to the following trade guide valuations:

CAP	£5,296.00
Glass's	£7,230.00

Mr G brought his complaint to us without delay. He added that the insurer was taking away the hire car it had provided.

Our investigator recommended that the complaint should be upheld in part. He said he'd found further trade guide valuations as follows:

Auto Trader	£7,139.00
Percayso	£8,995.00

The investigator thought that a more appropriate fair market valuation would be £8,995.00. He recommended that Ageas should:

> "*pay the highest value produced by the guides – this being £8,995 – with 8% simple interest added from the date an interim payment was offered. If an interim payment has been made, the difference in amounts should be paid, with the interest added to this amount*"

Ageas accepted the investigator's opinion.

Mr G disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- On the day after the accident, he got an Auto Trader valuation of £11,830.00.

- The insurance company ended the hire car. So he had to rent a car.

- The investigator said that the mileage devalued the vehicle by about £7,000.00. The reduction should be more like £4,500.00.

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.

Preliminary considerations

The accident and the need to make a claim were, in my view, bound to cause Mr G some upset and inconvenience including the need to contact Ageas.

The evidence is that Mr G used an accident management company to pursue a claim against the third party, before he made a claim on his Ageas policy.

Hire car

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules. One such rule is that, before we can investigate a complaint, the consumer must first have made that complaint to the regulated firm and waited for up to eight weeks for a final response.

It sometimes happens that a consumer makes a complaint to the firm and receives a final response to that complaint and then brings the complaint to us - but with an additional complaint. In such circumstances, we can investigate the initial complaint, but the rules mean that we can't investigate the additional complaint until later.

Also, the rules require us to operate a two-stage process under which an investigator gives an opinion and, if necessary, an ombudsman gives a final decision.

Mr G complained to Ageas about the valuation. There's not enough evidence that he complained to Ageas about the ending of the hire car. So the investigator didn't investigate that additional complaint. I consider that he was correct, and I won't make any finding on that additional complaint in this final decision.

Nevertheless, Mr G may like to check:

- whether Ageas's policy provided a hire car or courtesy car in the event of a total loss (most policies don't).

- whether the accident management company or Ageas provided, and then withdrew, the hire car.

Valuation

Ageas's policy terms required it, in the event of a total loss, to pay the vehicle's "Market value" defined as follows:

> "*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.*"

Mr G has referred to an advert for a vehicle like his with a price of £15,950.00. That vehicle had a recorded mileage of about 116,000 (so considerably less than his vehicle). Mr G regards the investigator as having reduced the valuation from that figure of nearly £16,000.00 by about £7,000.00 as an adjustment for mileage to about £9,000.00.

However, adverts contain asking prices. And one or two adverts with higher asking prices aren't as persuasive as the trade guides which are based on a much wider base of evidence. Moreover, the trade guides contain figures for exactly the right vehicle, including an adjustment for its mileage.

Mr G has also referred to an Auto Trader valuation of £11,830.00. However, I haven't seen the details (including mileage) on which that valuation was based. I have checked the details on which the investigator found the Auto Trader valuation of £7,139.00. So I find that more reliable.

I've weighed up the trade guide valuations and the additional evidence. To avoid any detriment to Mr G, I conclude that the fairest valuation for his vehicle immediately before the accident is the highest guide figure of £8,995.00.

After Mr G's claim to Ageas, its final response came within about a month. It included the following:

> "*If you would like us to raise an interim payment of £7,230.00, please call the number below…*"

Mr G was free to accept that interim payment while pursuing his complaint through us. Ageas now accepts that the valuation should be £8,995.00. That's a difference of £1,765.00. Mr G hasn't provided enough detail or evidence to show that the under-valuation caused any financial loss beyond that.

I've thought about directing Ageas to pay compensation for the extra distress and inconvenience its under-valuation caused Mr G. However, he hasn't given much detail of the impact on him. I consider that much of such distress and inconvenience was to do with being kept out of his money, for which interest is a form of compensation.

Putting things right

So I find it fair enough to direct Ageas to:

1. settle Mr G's claim based on a market valuation of £8,995.00; and
2. pay Mr G interest on the difference of £1,765.00 at our usual rate from 20 January 2025 to the date of payment.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Ageas Insurance Limited to:

1. settle Mr G’s claim based on a market valuation of £8,995.00 for his vehicle; and

2. pay Mr G simple interest on £1,765.00 at a yearly rate of 8% from 20 January 2025 to the date of payment. If Ageas considers that it’s required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr G how much it’s taken off. It should also give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr G to accept or reject my decision before 10 April 2025.
Christopher Gilbert
Ombudsman