

The complaint

Mr A has complained about Liverpool Victoria Insurance Company Limited (LV). He isn't happy about the valuation of his car after it was deemed a total loss following a claim under his motor insurance policy and about the poor service he received.

What happened

Mr A made a claim under his motor insurance policy and his car was deemed a total loss after he was involved in a serious non-fault accident. When LV looked to settle the claim Mr A wasn't happy with the valuation of his car. And about the poor service he received as he thought LV was aggressive and unhelpful in discussing this with him and that it took his hire car back early.

LV looked to value Mr A's car after it was written off by looking at a number of the various trade valuation guides in order to gauge the market value of his car. It eventually offered Mr A £29,600 as a market value of his car which was more than the motor valuation guides it found. This was because its engineer looked at a number of adverts alongside the motor valuation guides and thought the market value was slightly higher. But Mr A remained unhappy and complained to this Service.

Our Investigator looked into things for Mr A, but he didn't uphold his complaint. He thought that LV had valued his car fairly and that its offer of £150 compensation as a gesture of goodwill as it didn't allow Mr A to keep his hire car for a bit longer during the holiday period was fair. As Mr A didn't agree 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, and despite my natural sympathy for the position Mr A found himself after being involved in a serious accident that wasn't his fault, I'm not upholding this complaint. I'll explain why.

This Service has an approach to valuation cases like Mr A's which has evolved in recent times. When looking at the valuation placed on a car by an insurance company, I consider the approach it has adopted. And decide whether the valuation is fair in all the circumstances.

It isn't the role of this Service to come to an exact valuation of a consumer's car. But we do look to see if insurers have acted reasonably in looking to offer a fair market value of the car in line with the policy terms and conditions. I pay particular attention to the various trade valuation guides used for valuing cars. And I look at any other evidence provided by both sides, such as advertisements or details about the condition of the car.

Valuing second-hand cars is far from an exact science and it isn't my role to value Mr A's car. I'm just looking to see if LV has acted reasonably in providing a fair market value of his car and, overall, I think it has.

Ultimately, the policy requires LV to compensate Mr A, the policyholder, for the market value of his car. The policy defines market value as '*The cost of replacing your car with the same*

make, model and specification. Age, mileage and condition will be taken into account. We'll ask an engineer for advice, use motor trade guides and other sources to determine the market value at the time of the accident or loss. We'll consider the amount you could have reasonably got for your car if you sold it immediately before the accident, loss or theft and not the price you paid for it.'

In assessing what constitutes a fair value we generally expect insurers to review relevant guides to motor valuations – which is also our starting point for most valuation complaints. I've looked at the available guides to assess whether LV's offer is fair and reasonable. And having reviewed the available valuation guides that LV used, which have produced values of £27,967, £27,580, and £27,725 respectively, I think LV's eventual offer of £29,600 feels fair as it is above the highest of the valuations it found and in line with the adverts its engineer found which support its valuation.

I know Mr A has suggested that his car is worth more, but although there is some information to support Mr A's general position, I haven't seen sufficient evidence of this. While LV has produced a number of adverts that clearly support its position that Mr A can buy a replacement vehicle for around the amount it has offered when its senior engineer engaged with the marketplace at the time of valuation. So, it is difficult to say LV has acted unfairly here as it has looked at the available valuation guides alongside the adverts it found. I know Mr A has mentioned the colour of his car amongst other things, but this doesn't really affect the value of a car and LV are not looking to replace his car 'like for like' but just looking to offer a reasonable market value.

I note that LV has offered to pay Mr A £150 in compensation as it didn't offer an extension in hire car around the holiday period, and I think this feels more than fair here. I say this as Mr A was only entitled to 21 days hire car once his car was written off, which LV provided. And Mr A confirmed in one of his calls that he had use of another vehicle around this time, so I don't think he was treated unfairly here.

Finally, Mr A feels that LV was unhelpful and aggressive in his calls with it when he was looking to negotiate a higher value. However, having listened to the various calls he had with LV's engineer I don't think the engineers were unhelpful in any way. Mr A was looking to increase the value offered while LV's engineers looked to explain how they had arrived at their valuation. I don't think there was any unprofessionalism here and they were clearly trying to help Mr A.

I know my decision will come as a disappointment to Mr A who was involved in a non-fault accident that has impacted him heavily and was traumatic. However, in looking to see if LV offered a fair market value for his car, I think it has for the reasons outlined above. I know Mr A has referred to Consumer Duty and I agree LV has a duty to give consumers the information they need to allow them to make informed decisions. I've taken account of this regulatory requirement alongside the general industry rules in forming my decision. But ultimately, Mr A believes the market value of his car is more than LV offered but I don't think there is sufficient evidence to support this, especially as LV has offered more than the highest valuation guide it found and provided adverts supporting its valuation. So, it is difficult to say LV has done anything wrong here.

My final decision

It follows, for the reasons given above, that I'm not upholding this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 23 April 2025.

Colin Keegan
Ombudsman