

The complaint

Mr J and his representative complain Acromas Insurance Company Limited (Acromas) unfairly settled his claim on his motor insurance policy after his car was stolen. He also complains about the service received and the time taken to progress his claim.

Acromas are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As Acromas have accepted it is accountable for the actions of the intermediary, in my decision, any reference to Acromas includes the actions of the intermediary.

What happened

Mr J made a claim on his motor insurance policy after his car was stolen in September 2024. The car wasn't recovered and the police investigation was closed in mid-October 2024.

In February 2025 Acromas made Mr J a settlement offer of £26,214 less the policy excess.

Mr J was not happy with the settlement amount. He said the car was worth a lot more than Acromas's settlement offer.

Because Mr J was not happy with Acromas, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said Acromas should increase its settlement offer to £31,935 which was the highest of the four valuations they had obtained. They said 8% simple interest should also be added. They also said it should pay him £100 compensation for the delay caused due to it not following up with the police report it needed to progress the claim.

As Mr J and Acromas are unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

Claim settlement

In this case I have considered whether Acromas acted fairly and reasonably in reaching its decision as to the level of settlement offered to Mr J following the write-off of his car.

My role is not to provide an exact valuation but to make a judgment as to whether the offer of settlement is fair.

Although this service doesn't value vehicles, we do check the insurer's valuation is fair

and reasonable and in line with the terms and conditions of the policy. We use valuation guides to do this, and they're based on nationwide research of likely selling prices and take the car's specifications, mileage etc into account.

This service doesn't consider the question of market value to be an exact science, however our general approach is that the valuations given in the main motor valuation guides provide the most persuasive and consistent evidence. These guides are based on extensive nationwide research of likely (but not actual) selling prices.

Prices of used cars can change on a regular basis. This could be an increase or decrease. This is the reason why we take the approach that if Acromas can demonstrate, that it used a fair process to value the car then we wouldn't interfere with the offer it has made.

I looked at the information Acromas used when calculating the market value for Mr J's car. I saw it obtained valuations from three of the main valuation guides. In this case Acromas offered £24,307 which it said was the average of these three guides. Acromas said it also looked for examples of similar cars for sale and based on this it increased its settlement offer to £26,214, less the policy excess. It provided payment for this settlement offer by way of a cheque in the post in early March 2025.

Mr J thinks the valuation should be much more because his car was a rare model. I recognise the car was well maintained. He undertook research on cars advertised for sale and provided a list of these. I looked at this list in which all of the cars were advertised for sale for more than the settlement offered. However they were newer models than Mr J's car and therefore I am not persuaded they can be used as comparisons.

I looked at the valuations our investigator obtained. They used four of the main valuation guides, of which three were the same as used by Acromas. The highest of these four valuations was £31,935 and the lowest was £19,206.

I looked at the details within Mr J's motor insurance policy with Acromas. On page four of the booklet are definitions of terms used within the policy. It says;

"Market Value

The cost of replacing your vehicle with a vehicle of the same make, model, specification, age, mileage and condition as your vehicle was immediately before the loss or damage you are claiming for.

Where we are unable to estimate the market value of your vehicle we will use the nearest market equivalent for comparison."

Although I understand the total loss settlement has been in dispute for some time, the market value is calculated at the time of loss and I cannot tell it to pay the value of the car at a later date.

I recognised Acromas said it was unable to accept our investigators findings as it is not its process to use the highest guide and it offers an average of the guides. However our service expects insurers to pay the highest of the guides, unless they are able to provide us with evidence which supports a lower valuation.

Based on the valuations our investigator obtained, I don't think the settlement amount paid for Mr J's car is fair in this case. The valuations showed a range of values and I am satisfied the highest valuation of £31,935 obtained is a fair market value settlement offer. For clarity the valuations used are the retail valuations and not trade valuations.

Therefore, I uphold Mr J's complaint regarding the settlement amount for his car.

Service received

After he made his claim Mr J contacted Acromas on a regular basis to obtain progress updates. He complains about a lack of updates from Acromas who explained it aimed to contact customers every 28 days if there is anything to update. It said because Mr J had been proactive in contacting it there had been no need to update him. However, it was only when Mr J got in touch to check on progress that the issue with the police report came to light.

I saw Acromas initially requested the police report in early October 2024, and the police closed its investigation in mid-October 2024. A police report is required to verify the circumstances surrounding the theft and requests for such reports can often take a number of weeks to obtain. Acromas explained to Mr J in December 2024 that his claim couldn't be finalised without this report, and due to the more complicated nature of the theft, it had also been necessary to obtain statements which meant the validation process had taken longer than it would normally expect.

There was an administration issue which related to a mis-match of email addresses which delayed the police sending the report. Acromas accepted there was a lack of action from itself in following up on obtaining the police report. It was chased and paid for at the end of December 2024 and was returned in early February 2025. Acromas made its initial total loss settlement offer approximately two weeks later.

There will always be some time taken for an insurer to validate a stolen car claim before settling the claim as a total loss. However I agree the time taken in this case was longer than I would expect.

Acromas apologised for the delay and awarded Mr J £100 in compensation. I think this was fair in the circumstances of this case.

Putting things right

I require Acromas to increase its settlement offer to the highest valuation of £31,935. An increase of £5,721. It should also add 8% simple interest to the difference from the date the initial settlement amount was paid, to the date the final settlement is made.

My final decision

For the reasons I have given I uphold this complaint.

I require Acromas Insurance Company Limited to increase the settlement offer for Mr J's car to £31,935. An increase of £5,721. It should also add 8% simple interest to the difference from the date the initial settlement amount was paid, to the date the final settlement is made.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 29 September 2025.

Sally-Ann Harding
Ombudsman