

The complaint

Mr B has complained that Liverpool Victoria Insurance Company Limited unfairly didn't pay him the market value of his converted campervan under his motor policy after it was stolen.

What happened

Mr B's campervan was stolen in April 2024. He had converted his campervan less than a year before.

LV decided the market value of Mr B's campervan was £24,000. It didn't agree Mr B's van was off grid as it didn't have a shower. Mr B didn't agree based on the adverts he could find for similar type converted campervans. He also said his campervan was off grid as it had solar power, a toilet and a water supply.

Mr B was of the view his campervan was worth at least £35,000 but as a means of compromise, he said he would accept no less than £30,000.

As LV wouldn't change its stance he brought his complaint to us.

The investigator was of the view that LV's approach to the valuation wasn't correct in taking into account how much it cost Mr B to convert his van as that doesn't equate to the market value of a completed campervan for sale. He also checked for adverts of similar campervans to Mr B's along with those produced by Mr B and LV. He decided the two he found, plus one of Mr B's was most similar to Mr B's campervan and on that basis, he was persuaded a fair market value of Mr B's campervan would be £30,000.

Mr B agreed but LV didn't, so Mr B's 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.

First, I must stress this service doesn't produce motor valuations. Our role is to assess whether LV has come to a fair and reasonable market valuation based on the policy terms and valuation guides plus adverts for similar vehicles for sale.

In the policy 'market value' is defined as:

'The cost at the date of the accident or loss of replacing the insured car, if possible, with one of a similar make, model, age, condition and mileage. We will usually ask an engineer to give us advice about the market value of the insured car, refer to guides

of car values and any other relevant sources in assessing the market value, you should consider the amount that could reasonably have been obtained for the insured car if you sold it immediately before the accident, loss or theft.'

Under the Fire and Theft section the policy says the following:

'What is covered:

We will cover you for loss or damage to the insured car that is caused by fire, lightning, explosion, theft or attempted theft.'

Later in the policy under the claims handling section it says:

'[We will] treat the insured car as a total loss and pay you the market value of the vehicle less the excess just before the loss or damage happened.'

So essentially LV must pay the market value of Mr B's campervan, on the basis there is no dispute that it was sadly stolen and has not been recovered.

Our approach to motor valuations is fully detailed on our website. Generally, we would expect to see reference to the valuation guides plus if useful, any adverts of similar vehicles for sale. In Mr B's case since his van was converted into a campervan the normal valuation guides wouldn't list market values in same way as they do for an ordinary car. Therefore, we can only rely on adverts of similar van conversions.

I also don't consider LV's approach to simply adding the cost of the conversion to be fair or reasonable either. As otherwise neither Mr B nor indeed the investigator would have been able to source so many adverts of such converted campervans at a much higher sale price than LV was able to manage. Therefore, like the investigator I don't consider this method of calculation would come to a figure that would be a fair market valuation of Mr B's campervan.

I also consider Mr B has shown that he used an expert with the appropriate professional expertise to convert his van. Therefore, I don't consider it was fair of LV to downgrade the level of the conversion Mr B's van had, simply because this professional didn't operate a business in the manner LV decided he should have done.

I don't see anywhere that a definition of a campervan being off grid means in addition to an electricity supply from either solar or batteries, a water supply via a tank on board plus a toilet with a waste capacity, that it must also have shower facilities too. The water supply is sufficient for that element in my view.

I've been a little concerned at LV's approach here given we can't use the valuation guides with the comfort of the considerable data those guides provide. It should be noted on the schedule that either LV or Mr B noted the maximum value of his campervan on which LV calculated the premium too is listed as £35,000. Obviously, that is not underwritten as the market value here, as this isn't an agreed value policy, but it does give a clear indication of an estimate. And obviously I don't know if that figure was generated by Mr B, LV or a comparison website but nonetheless it was a figure which LV were happy to include on the schedule. But on reading the file afresh as I have done now, I don't consider LV has supported Mr B in the manner I would have expected here given it's under a duty to pay Mr B the market value of his campervan. I would have liked to see more detail from LV's engineer as to his detailed reasoning as to why he valued Mr B's campervan as low as £24,000. And why he maintained that stance despite the considerable number of adverts with an array of similarities to Mr B's campervan which showed a considerable increase on

that valuation regardless. It doesn't seem LV took into account that motor valuations can't be an exact science and here especially given it's a van conversion, regard must be given to the adverts too.

So, taking all the adverts into account and noting that every van conversion of this nature will have differences and quirks of their own depending on the detail of the conversion, I agree with the investigator that Mr B has shown on balance that a fair market value of his campervan is £30,000. I consider LV's valuation of £24,000 was first calculated on the wrong principles given it considered the costs spent on converting the van and then failed to take an adequate account of the evidence of all the adverts raised by both Mr B and indeed the investigator. Mr B throughout all the investigation has maintained that he would be happy to accept £30,000 as being the market valuation for his van despite the fact many adverts with some of the facilities his campervan had, were selling for a much higher price. And I consider his approach consequently was reasonable.

So, I consider the more reasonable and fair valuation of Mr B's campervan is £30,000, so LV should now pay Mr B the remaining £6,000 plus interest.

My final decision

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

I now require Liverpool Victoria Insurance Company Limited to do the following:

- Pay Mr B the further sum of £6,000 to ensure the market value of his campervan is now recorded as £30,000.
- Add interest of 8% simple from the date it paid Mr B the sum of £24,000 to the date it now pays him this extra £6,000. If income tax is to be deducted from the interest, appropriate documentation should be provided to Mr B for HMRC purposes.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 15 August 2025.

Rona Doyle
Ombudsman