

## **The complaint**

Miss W has complained that Tradex Insurance Company PLC didn't pay a fair market value for her car when she made a claim under her car insurance policy.

All reference to the insurer Tradex in my decision includes its agents.

## **What happened**

In March 2025 Miss W's car was damaged in an incident and she made a claim to her insurer, Tradex. Tradex said it would settle Miss W's claim as a total loss. Tradex's appointed engineer provided a valuation for Miss W's car at £2,213.

Miss W complained to Tradex as she said the valuation wasn't enough to buy a similar replacement car. But Tradex didn't uphold Miss W's complaint.

One of our Investigators thought Tradex should increase the settlement to £2,440, being the highest of the motor trade guides.

Tradex didn't agree. In summary it says the advert examples it provided supports its valuation of £2,213 and took into account an adjustment to reflect the mileage on Miss W's car.

Miss W provided a copy of her receipt showing she paid just over £3,000 for the car in February 2024. She says the cost of cars then was more than they are when Tradex settled her claim.

So the case 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.

Tradex, like other standard motor insurers, provided a market value for Miss W's car as it was a total loss. Tradex reviewed the main motor trade guides. They provide a 'retail transacted' valuation based on the average value for a car of the same make, model, age, condition, and mileage as Miss W's. We find them a reliable way of providing a fair valuation for a car as they are based on research of likely selling prices for the month of loss.

Tradex also looked at adverts for similar cars online. The valuation it reached of £2,213 was based on the average of three main motor trade guides.

In line with our approach, Tradex needs to show the valuation it gave was enough to allow Miss W to buy a similar replacement car.

If one guide is significantly higher or lower than the other guides, it could mean it is out of kilter. Each guide uses different methods to reach an average valuation, which is why we think it is beneficial to look at all of the available guides.

Where an insurer has offered less than the higher valuation, it needs to show what it has paid is reasonable. The evidence provided needs to be persuasive to justify a lower value as a fair market value.

Looking at the motor trade guides, they provided valuations of £1,773, £2,426, and £2,440. So as a starting point, the valuation of £1,773 seems out of kilter with the other two.

Tradex provided three adverts of similar cars for sale. Tradex says the examples support its decision to pay the average of the motor trade guides at £2,213.

The mileage for Miss W's car was recorded by the engineer at 146,490. Although the engineer applied an adjustment to the adverts to reflect the mileage of Miss W's car, I don't find the adverts more persuasive than the motor trade guides in this case.

Only example one has a similar mileage to Miss W's car at just under 144,000 miles. The advertised price for this car was £1,849 and was listed as; '*below market average*'. Examples two and three provided higher advertised prices, but were for lower mileage than Miss W's, so not comparable.

So, I haven't seen persuasive evidence from the adverts to show Tradex paid a fair valuation by not paying the highest of the main motor trade guides. In line with our approach, I think a fair outcome is for it to pay the highest of the trade guides at £2,440. As Miss W has been without these additional funds since the date the interim payment was made, Tradex should pay interest on the difference at the rates I have set out below.

I understand Miss W paid more for her car in February 2024. But as that was over a year before her claim, I cannot take this into account in deciding whether Tradex paid a fair market value in March 2025.

### **My final decision**

My final decision is that I uphold this complaint. I require Tradex Insurance Company PLC to do the following:

- increase the market value for Miss W's car to £2,440.
- pay interest on the difference at a rate of 8% simple interest a year from the date it paid the interim payment to the date it pays the difference.
- Tradex Insurance Company PLC must pay the compensation within 28 days of the date on which we tell it Miss W accepts my final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 27 October 2025.

Geraldine Newbold  
**Ombudsman**