

The complaint

Mrs S has complained about the amount Acromas Insurance Company Limited has paid in settlement of her motor insurance claim.

What happened

The details of this complaint are well known to both parties, so I will not repeat them again here. The facts are not in dispute so I will focus on giving the reasons for my decision.

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 agree with the conclusions reached by the investigator for these reasons:

- Mrs S's policy required Acromas to settle her claim based on the market value of her car. This is defined in the policy as "*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*".
- Our approach to determining whether the market value an insurer has used is appropriate is to check four industry guides to see whether what it has offered is in line with these. And we'd expect an insurer to provide evidence to show a valuation lower than the highest guide is fair and explain why the evidence shows this. If it can't or doesn't do this, we're likely to say it needs to base its settlement on at least the highest guide valuation. And the best evidence to support a value lower than the highest guide is adverts from around the time the insured car was lost or damaged, to show similar vehicles with roughly the same mileage could have been purchased by the consumer for what it has valued the vehicle at. But this would normally need to be accompanied by an explanation of why it thinks the adverts show this.
- The highest guide valuation for Mrs S's car was £7,070 and Acromas has not provided any compelling evidence, such as adverts with an accompanying explanation, to support its argument that a valuation lower than this is fair. It has provided comments to justify its valuation, but some of them show a lack of understanding of how the guides value vehicles and of our current approach to this type of complaint as set out on our website (<https://www.financial-ombudsman.org.uk/consumers/complaints-can-help/insurance/motor-insurance/vehicle-valuations-write-offs>), which I have also set out above. For example, Acromas has suggested that the guides include sold data, which is not the case. It's also suggested the CAP guide uses sold data, when CAP actually uses auction prices and then increases the auction prices to reflect the likely selling cost on the retail market. It also thinks that we'd support a valuation based on the average of three guides without it providing any supporting evidence and an explanation of why this evidence supports its valuation, which is contrary to what we say on our website.
- As the highest guide value is £7,070 and Acromas hasn't provided any compelling

evidence to suggest using a value lower than this is fair, I consider the fair and reasonable outcome to Mrs S's complaint is for Acromas to pay her the difference between this and the valuation it used of £6,721, i.e. £349.

- Acromas should also pay interest on the extra amount due to Mrs S to compensate her for being without these funds.
- I've also considered the adverts Mrs S has provided, but three of them are for a higher specification model and the other one is for a car with the same specification, but it has a lower mileage, and it looks like it is a 67 plate, as opposed to a 17 plate. So, I do not think the evidence Mrs S has provided shows that using the highest guide valuation is unfair.

My final decision

I uphold Mrs S's complaint about Acromas Insurance Company Limited and require it to pay her a further £349 in settlement of her claim, plus interest at 8% per annum simple from the date it paid the settlement amount it offered to the date of payment.*

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 15 October 2025.

* Acromas must tell Mrs S if it has made a deduction for income tax. And, if it has, how much it's taken off. It must also provide a tax deduction certificate for Mrs S if asked to do so. This will allow Mrs S to reclaim the tax from His Majesty's Revenue & Customs (HMRC) if appropriate.

Robert Short
Ombudsman