

The complaint

Miss E complains that Acromas Insurance Company Limited (“Acromas”) mishandled her claim on a motor insurance policy.

What happened

The subject matter of the insurance, the claim and the complaint is a sports coupe car, made by a premium-brand car-maker and first registered in 2013.

Miss E acquired the car in 2015.

For the year from late September 2024, Miss E had the car insured on a comprehensive policy with Acromas. Any claim for damage (except for broken glass) was subject to an excess of £450.00.

Miss E reported that on about 6 March 2025, a third party damaged the car in an accident.

Acromas said the car was a total loss and its pre-accident value had been £5,920.75. Miss E complained to Acromas that it was under-valuing the car. Acromas said it was sending her an interim payment of £5,920.75.

By a final response dated 12 March 2025, Acromas turned down the complaint.

Miss E brought her complaint to us in late March 2025.

Our investigator recommended that the complaint should be upheld in part. She didn't think that Acromas' valuation was fair. She recommended that Acromas should:

1. increase the valuation to £6,176.00; and
2. add simple interest at 8% on the difference between the earlier settlement figure and this amount, from the date the earlier payment was made to the date payment is made.

Miss E disagreed with the investigator's opinion. She says, in summary, that Acromas under-valued her vehicle by £3,000.00 to £4,000.00.

Acromas disagreed with the investigator's opinion. It asked for an ombudsman to review the complaint. It says, that:

“...we have used the average of the 4 guides which is our Best Practice and which we consider to be fair and reasonable”

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.

I will consider the evidence to decide whether Acromas valued Miss E's car fairly and in line with the policy terms.

The policy required Acromas to pay Miss E the car's "Market Value" defined as follows:

*"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".*

We expect an insurer to value a used vehicle by reference to retail figures in certain trade guides. The guides are also our starting point.

I've noted the make, model, specification, age, condition and mileage of Miss E's car before the accident. For Miss E's car, including the correct specification, I've seen retail figures in the trade guides as follows:

CAP	£5,693.00
Glass's	£5,740.00
Auto Trader	£6,074.00
Percayso	£6,176.00

So there is a variation or a range in those figures. Acromas' valuation of £5,920.75 is the average of the figures in that range. The figure of £5,920.75 is close but not very close to the highest figure of £6,176.00.

So, in order for me to be satisfied that Acromas' valuation is fair, I would expect Acromas to provide other evidence (for example, adverts for the sale of similar cars or reports from experts) to show that its valuation is enough to enable Miss E to purchase a like- for- like replacement vehicle. And I'd need to be satisfied that this evidence is relevant and persuasive (and more persuasive than any evidence provided by customer) before accepting that Acromas' valuation is fair.

Acromas sent us copies of emails to Miss E with links to Auto Trader advertisements for similar vehicles. The links have not taken us to any advertisements and Acromas has not provided any advertisements.

In any event, Acromas has relied on an average of the trade guide valuations.

So, considering the variation of values produced, and the lack of other evidence provided by Acromas, I'm not satisfied that its valuation was fair or enough to enable Miss E to purchase a like- for- like replacement vehicle.

Miss E has told us that she keeps seeing advertisements for cars comparable to hers for much more money. However, she hasn't provided enough evidence of such advertisements to persuade me that the highest guide figure isn't high enough.

Putting things right

In order to avoid detriment to Miss E, I consider that a fair market valuation is the highest valuation guide of £6,176.00. And I find it fair and reasonable to direct Acromas to adopt that valuation.

From its interim payment, I find that Acromas has waived the excess of £450.00. So an increase from £5,920.75 to £6,176.00 will require it to pay the difference of £255.25.

The accident and the need to make a claim were, in my view, bound to cause Miss E distress and inconvenience. She was unexpectedly under pressure to replace her car. Miss E told us that she had taken out an £8,000.00 loan to add to Acromas' settlement.

However, I would expect Acromas to make an interim payment to Miss E, making clear that it wouldn't prejudice any complaint. I'm satisfied that Acromas did that. And I find it unlikely that the extra £255.25 would've made much difference to Miss E's replacement of her vehicle. So I don't find it fair and reasonable to direct Acromas to pay compensation for distress, inconvenience or loss of use of a vehicle.

Acromas' final response was within a few days after the accident. I take the view that in Miss E's case, Acromas ought reasonably to have paid the extra £255.25 by the date of the final response, 12 March 2025. So I find it fair and reasonable to direct Acromas to pay interest from that date at our usual rate.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Acromas Insurance Company Limited to:

1. adopt a pre-accident valuation of £6,176.00 for Miss E's car; and
2. pay Miss E, in addition to its previous payments, a further £255.25; and
3. pay Miss M simple interest on £255.25 at a yearly rate of 8% from 12 March 2025 to the date of payment. If Acromas considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Miss E how much it's taken off. It should also give her a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

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

Christopher Gilbert

Ombudsman