

The complaint

Mr M complains that his commercial vehicle insurer, Ageas Insurance Limited ('Ageas') undervalued his car after it was declared a total loss.

What happened

I issued a provisional decision regarding this complaint earlier this month. An extract from that decision follows:

"In October 2024, Mr M was involved in a serious accident. He sustained injuries and his car was severely damaged and later declared a total loss.

Mr M had renewed his policy a few days before the accident. He said that he was offered an agreed value service and was in the process of gathering information to obtain a specialist valuation which he intended on submitting to his insurer. But he didn't get a chance to do this due to the accident a few days later.

After the accident Mr M had to be hospitalised and was taken away by ambulance. He said while he was in hospital he asked his partner to collect his personal belongings from the car but she wasn't allowed access to it. He said he had valuables in the car worth around £2,000 which he wanted to retrieve.

Ageas offered Mr M £147,000 for the pre-accident value of his car. Mr M wasn't happy with this and said he had purchased the car around six months earlier for £160,000 and that it was a very rare model due to its colour. He said the paint option cost around £12,000 extra.

Ageas considered the complaint, but it didn't uphold it. It said that its £147,000 valuation was higher than valuations provided by trade guides and in adverts. It offered to raise an interim payment for £145,500 after deducting the £1,500 excess. It also offered £200 for Mr M's belongings as per the terms and conditions of the policy. Mr M had enquired about removing the brakes and pads but Ageas said there was no facility to do this due to this being a safety concern. It said the car was a category B (break-not suitable for repair) total loss and if Mr M wanted to collect it he would have to organise an authorised treatment facility. He would then be able to also collect his belongings.

Mr M then brought his complaint to our service. He said he has been impacted financially as he didn't have a replacement car and also lost important items like his house and other keys. He said if an agreed valuation had been in place, Ageas would have had no issues paying. He added that his new insurance was also very expensive due to the incident.

One of our investigators reviewed the complaint but didn't think it should be upheld and agreed with the valuation Ageas had provided as well as its £200 offer towards Mr M's belongings.

Mr M didn't agree and asked for an ombudsman's decision. He said that the examples Ageas had provided did not include any cars which had the same type of paint as his. He added that a professional valuer had valued his car at £160,000. He also didn't think he had been adequately compensated for his belongings.

Our investigator didn't change his view. He said that the trade guides take into account optional extras including the paint cost which, according to the guides, was shown to cost considerably less than £12,000.

The matter was then passed to me to decide. Before I proceeded with my decision, I asked Mr M if he had obtained a valuer's report and if this had been provided to Ageas. I also asked Ageas for further clarification regarding the process for Mr M recovering his items and whether the policy had been an agreed value one.

Ageas confirmed it was a market value policy not an agreed value one. It also said that Mr M was ultimately able to instruct a company to remove the brakes.

Mr M obtained a report from the valuation specialist in the meantime which valued the car at £161,500. He explained the report hadn't been obtained formally before due to the accident. He said he paid £432 for the report which he wanted to be reimbursed for.

Ageas said it was prepared to increase its valuation by a further £2,832 plus interest. It confirmed that the salvage agent/engineers were finally able to access the bonnet of the car to retrieve Mr M's belongings, but they weren't there. Ageas said the car is still available for collection if Mr M wishes to collect it.

Mr M didn't accept the offer. He also said he couldn't understand why his belongings were not found as they were in the car at the time of the accident. He said he was prepared to accept the valuation provided by his expert valuer plus the cost of the report.

What I've provisionally 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.

The policy

The policy states that if the car is damaged, the most Ageas will pay is the market value of the car (including accessories and spare parts) at the time of the loss or damage, less any applicable excess.

It defines the "market value" as the cost of replacing the car with another of the same make, specification, model, age, mileage and condition just before the loss or damage the insured is claiming for.

It also says that it will cover loss or damage to clothing and personal belongings caused by an accident and the most it will pay for one event is £200.

The important product information document also states that the insurer will cover an agreed value for the car provided that photographs and valuations it asked for are provided.

The valuation

Our service has an approach to valuation cases like Mr M's that has evolved in recent times. When looking at the valuation placed on a car by an insurance company, I consider the approach it has adopted and decide whether the valuation is fair in all the circumstances.

Our service doesn't value cars. Instead, we check to see that the insurer's valuation is fair and reasonable and in line with the terms and conditions of the policy. To do this we tend to use relevant valuation guides. I usually find these persuasive as they're based on nationwide sales prices.

Ageas used two motor guides which returned values of £134,887 and £144,250. We consulted two further guides which produced values of £144,189 and £135,000. I think the valuations are fairly close to one another and I'm, therefore, persuaded that they are for the same car. And I didn't consider any to be an outlier so, I haven't discounted any of them.

Ageas valued Mr M's car at £147,000 which was higher than any of the valuations provided by the guides.

Ageas has also provided adverts in support of its valuation being fair. The adverts ranged between £133,990 and £142,990 for cars with similar mileage to Mr M's.

Mr M said he believed that his car was worth around £160,000 which is the price he bought the car for, around six months before his accident. He said the adverts provided by Ageas were for cars which weren't comparable to his as they did not include the paint option which was included on his car. He provided evidence from a dealership which states this option costs around £12,000. Mr M provided his own adverts which were for cars which did have the specific paint option. They ranged from £150,000 to £157,995.

Though adverts can sometimes be useful when deciding whether a valuation provided by an insurer is fair and reasonable, I don't tend to find them as persuasive as the guides. This is because the guides are based on sales prices. The price that a car is advertised for isn't necessarily the price it will sell for, which is often lower due to negotiations between the buyer and seller. In this case I haven't completely discounted the adverts provided but, as I said above, I don't consider them to be as persuasive as the guides. I also accept that the adverts provided by Mr M are for cars which are a closer match to his car compared to the ones provided by Ageas because they include the paint option.

Mr M has also provided an expert report from a classic car expert who provided a £161,500 valuation. The expert noted that the car had just had a major service which cost £2,800, new tyres at a cost of £2,600 and new ceramic brake pads at a cost of £1,400. This came to a total of £6,800. He also referred to examples of cars which had sold recently but none included the paint option Mr M has referred to. The highest price was £147,700. The expert

also took into account the adverts Mr M provided to our service which did include the paint option.

I have considered the expert report and though I have found it useful I didn't find it as persuasive as the guides which are based on sales prices. The expert also seems to have taken into account the £6,800 Mr M spent on his car prior to the accident but expenses such as a recent service wouldn't necessarily add to a car's market value as the car being in a good condition is something that the guides would have factored in already. And I also note that Mr M has been able to successfully remove the brake pads which were part of that expenditure.

I appreciate Mr M feels strongly that the paint option which costs around £12,000 significantly increases his car's value. And I can see that cars which include this option were advertised for a higher price compared to cars without it. But this doesn't mean that cars with this option cost £12,000 more than they would have had they not had this option. Especially on a car like Mr M's which was already eight years old at the time of the accident. As our investigator said we have carried out our own valuation and the valuation for the paint option was substantially lower than £12,000 and also lower than the £2,832 Ageas has offered to increase its offer by.

Looking at the valuations produced by the guides I think Ageas's increased offer of £147,000 plus an additional £2,832 is fair and reasonable. It is higher than the values produced by the guides and is even in line with some of the adverts Mr M has provided. And as I said above, I don't expect that those cars would have sold for their advertised price but for a lower one. I also think it is fair and reasonable for Ageas to pay interest on the entire amount as Mr M has been without this money for a long time. And though I note Ageas did offer Mr M an interim payment, it didn't explain that this wouldn't prejudice any claim he wanted to bring to our service. So Mr M may have understandably not wanted to compromise his claim by accepting this payment.

Mr M has said that he had £2,000 worth of valuables in the car at the time of the accident which he hasn't been able to retrieve. I was pleased to see that the bonnet of the car was eventually accessed so he could retrieve those items and note that it took a long time for this to happen. I appreciate this was frustrating for Mr M but I also note that the damage to his car was so substantial that getting access to the car wasn't straightforward. I don't think this was down to Ageas. In any event I note that the items were not found. I have no reason to doubt what Mr M has told us and note that he has provided photographs of himself using some of those items. But as it seems no one was able to access the bonnet for a long time and as the items were not found to be in the bonnet, I am not considering making a separate award to Mr M for this loss. I think the £200 Ageas offered is fair and reasonable.

I note Mr M has asked to be reimbursed for the cost of the expert report. I have considered this but as this was a cost Mr M was planning on incurring in any event, in order to get an agreed valued policy, I am not considering asking Ageas to reimburse him for it. Furthermore, I haven't relied on it when reaching my decision regarding the valuation of Mr M's car.

My provisional decision

For the reasons above, I am considering upholding this complaint. Ageas Insurance Limited must pay Mr M £149,832 (£147,000 plus £2,832) for the market value of his car subject to any policy deductions including the excess. It must also pay £200 for Mr M's lost items. It must also pay him 8% interest per year simple on the amount it pays him calculated from one month after the claim to the date it pays him"

Ageas accepted my provisional decision. Initially it didn't agree with having to pay interest on the full amount it pays Mr M. But it agreed after our investigator pointed out that this was something I had already addressed in my provisional decision.

Mr M didn't agree with my provisional decision and raised some further points he wanted me to consider. These include the following:

- The cost of the specialist paint from new is £12,000 and this is supported by evidence he provided from the dealership.
- He was in the process of obtaining a valuation and was due to provide this to his broker and thereafter to Ageas the day after the accident. Had this been done Ageas would have had no issues paying the higher valuation.
- He obtained the expert's report at our request and is now £432 out of pocket. A normal valuation report would have cost him £90.
- Not all the missing items were under the bonnet but some were in the cabin and glove box. They have all gone missing. The salvage company that has the car is the third different company to have the car in its possession. His items were taken without his consent.
- The award I made would not enable him to replace the car with a like for like car. He bought his car for the rare colour.
- The adverts he provided show that cars with the paint option sell for higher prices.
- He believes that the extra £6,800 he spent on the car would have added to its market value. If a car is advertised with a major service, new tyres etc. it would sell for a higher price.
- 99.9% of collectable rare cars sell for their advertised price.
- He took his policy out for £1,741.50 only five days before the accident. The policy was cancelled thereafter and he received no refund. If he had paid his premium monthly, he would have lost only around £160.

Mr M also provided some additional comments from his expert who said that the trade guides are not useful for this particular car because they don't have enough data to provide an accurate valuation. And this is because the supply of prestige vehicles is too low to allow for their calculations to be accurate. Mr M added that the broker he used recommends this particular expert for all their agreed valuations.

Before I proceeded with my final decision, I asked Mr M for his comments regarding photographs we had from inside the car after the accident where I could see a fire extinguisher and what seemed to be a tyre gauge but no other items.

Mr M said all his items went missing including his keys at some point between the car being moved between the recovery agents. He said his sat nav was dash mounted and wired into the dashboard and doesn't understand why this, along with his other items is no longer in the car.

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'd like to thank both parties for their responses and their comments.

Mr M said that the £12,000 paint option was what it cost from new. I have noted this and I have seen the evidence provided by the dealership. But as I said in my provisional decision, I don't think that this means that any car with this optional extra is automatically worth £12,000 more. Especially a car which is about eight years old like Mr M's.

In relation to the policy, as I said in my provisional decision this was a market value policy and not an agreed value one. So, I think it was fair and reasonable Ageas treated this as a market value policy. I appreciate Mr M would have provided a valuation but unfortunately this wasn't possible due to the accident. I have sympathy for Mr M's argument but ultimately this wasn't down to Ageas.

Mr M said that the expert report he provided cost him £432 and that a normal valuation report would have cost £90. And that he wouldn't have gone to this expense if he'd known he wouldn't be reimbursed for it. During the complaint Mr M said that an expert stated that the car was worth £160,000. Before I proceeded with my decision I asked to see a copy of the expert's opinion. I now understand Mr M was referring to emails he had exchanged with the expert and that the expert did not type up the report or charge Mr M because of the accident which happened in the meantime. I appreciate that Mr M then obtained a full report to provide to us and to Ageas but he didn't clarify that he was incurring this expense until after he paid it. In the circumstances, I don't think it is fair and reasonable for Ageas to compensate Mr M for this expense. I appreciate Mr M says that if he had obtained a normal valuation for the broker this would have cost £90, not the £432 he was charged. This is something he will have to discuss with the expert.

I appreciate Mr M says that not all items were under the bonnet and that he believes that these were taken by unknown persons. As I mentioned to Mr M from the photographs we have from inside the car I could only see the fire extinguisher and what looked like a tyre pressure gauge, both of which I think would have likely been damaged by the heavy impact. I appreciate he believes the rest of the items were taken but unfortunately without any supporting evidence that they were in the car at the time I am not able to ask Ageas to compensate him for them. I also think it is more likely than not that electronic or other items other than clothing would probably have been damaged in the accident due to the heavy impact. And the maximum cover provided under the policy in those circumstances is £200.

In my provisional decision I acknowledged that the adverts Mr M provided were more relevant than the ones Ageas provided. And cars with the extra paint option do sell for more but as I said above, I don't think they sell for £12,000 more than they would have otherwise sold for. And as I said in my provisional decision our valuation for this option was much lower. I accept it might cost £12,000 when the car is new, but this isn't necessarily the same when the car is second hand.

Mr M also said that 99.9% of cars like his, sell for the advertised price. I haven't seen evidence of this but even if that was the case, the adverts he provided for cars which have the extra paint option were being advertised for less than the £160,000 he believes his car to be worth.

Mr M said that his policy was cancelled and he was charged the full premium but if he had been paying on a monthly basis he would have been charged only £160. Under the terms of Mr M's policy (and most motor insurance policies I am aware of) the full premium becomes due once a successful claim is made under the policy. So even if Mr M had been paying monthly, he would have been charged the full years' premium under the terms of the policy. So, I don't think Ageas has gone against its policy terms in charging this.

Mr M's expert doesn't believe the trade guides are very reliable when it comes to cars like Mr M's because there is a smaller sample size. Our approach includes considering the guides as well as other evidence provided by the parties. In this case the valuations provided by the guides were lower than what I thought amounted to a fair valuation. It is therefore clear that I took into consideration other evidence provided by the parties, not just the guides.

The rest of my findings remain the same as the findings I made in my provisional decision and now form part of this, my final decision.

My final decision

For the reasons above, I am upholding this complaint. Ageas Insurance Limited must pay Mr M £149,832 (£147,000 plus £2,832) for the market value of his car subject to any policy deductions including the excess. It must also pay £200 for Mr M's lost items. It must also pay him 8% interest per year simple on the amount it pays him calculated one month from the date the claim was made to the date it pays him.

If Ageas Insurance Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr M how much it's taken off. It should also give Mr M a tax deduction certificate if he asks for one so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 August 2025.

Anastasia Serdari
Ombudsman