

The complaint

Mr G complains that Tradex Insurance Company PLC trading as Tradex Insurance Company Limited has unfairly settled his motor insurance claim.

What happened

The circumstances of this case are well known to both parties, but in summary, Mr G's vehicle was stolen in March 2025 – so he raised a claim on his car insurance policy which is underwritten by Tradex.

Tradex accepted the claim and made a settlement of £23,695 – which it said was an average of the market values set out in the motor valuation guides. Mr G didn't agree this was fair as it didn't include extras which are material to the car's value, and said he was unable to replace his vehicle for the sum paid – so he complained to Tradex.

Tradex upheld the complaint in part. It felt it had acted fairly when settling the claim but identified it had provided poor service and so paid Mr G £200 compensation.

Mr G referred his complaint to this Service. Our Investigator ultimately upheld the complaint as they concluded Tradex hadn't shown their valuation of Mr G's vehicle was enough to purchase a like for like replacement – and so didn't think it had acted fairly. They recommended Tradex pay the difference between its valuation and the highest motor valuation guide value of £24,390, plus interest. They also recommended Tradex pay £100 in settlement of Mr G's personal effects claim, if it hadn't done so already.

Tradex accepted the Investigator's view. Mr G didn't agree. He said the wording of the policy suggests he is covered for the replacement cost of the vehicle, not the market value, and maintained that he was unable to purchase a like for like vehicle based on the revised figure.

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.

Having done so, I'm upholding this complaint – broadly for the same reasons as our Investigator. I'll explain why.

Mr G's policy covers him for loss or damage to his car due to fire, theft and attempted theft. But the terms go on to say that the insurer will not pay more than the market value of the car at the time of loss.

Market value is defined in the policy as:

"The cost of replacing the car with another of the same make, specification, model, age, mileage and condition as the car immediately before the loss or damage happened."

It isn't the role of this Service to provide an exact valuation of a motor vehicle. Instead, we consider whether an insurer has acted fairly and reasonably, in line with the terms of its policy, and taking into account other relevant supporting evidence such as motor valuation guides.

This Service's usual approach to these types of complaints is that an insurer should look to obtain multiple valuations from different motor valuation guides and settle a claim in line with the highest of this range. If it thinks a lower valuation is a fairer reflection of the vehicle's value, then it needs to demonstrate this with other available evidence such as advertisements of similar cars. If it can't do this, I would expect the insurer to pay the highest of the valuations from the range it obtained to ensure its policyholder isn't at any detriment.

Tradex initially deemed the market value of Mr G's car to be £23,695 based on an average of three different motor valuation guide figures – £23,265, £23,430 and £24,390. Our Investigator completed their own checks against the motor valuation guides and found the figures obtained by Tradex were in line with those they obtained. And as Tradex's valuations were obtained closer to the date of loss, I find it reasonable for these to be relied upon as they are a more accurate representation of the values at the time of loss.

Tradex said its offer was fair as the sum it paid was consistent with adverts it had reviewed for similar vehicles. But the adverts it provided weren't for the same vehicle model. So, I don't think it is fair for Tradex to rely on these adverts in support of its settlement as it hasn't demonstrated Mr G can purchase a like for like vehicle for this figure. In the absence of any other evidence to support its settlement, I find that the settlement Tradex paid isn't a fair market value of the vehicle and so should pay the highest of the valuations to avoid any detriment.

Mr G said the claim for his personal effects remains outstanding. However, Tradex has confirmed that the payment for this part of Mr G's claim was paid at the same time as the interim payment it made in March 2025 for the vehicle. I'm satisfied this has been settled in line with the terms of the policy and so isn't something I'll need to comment on further.

Mr G has provided adverts for the same vehicle model which range in value from £25,150 to £26,807. I've carefully considered this evidence, but I'm not persuaded these are a fair reflection of the market value of Mr G's vehicle. It's unclear when these adverts were published, and while similar, they do have slight differences in vehicle age and mileage. And both considerations can have a significant impact on the value of a vehicle. I'm also mindful that the advertised price can reflect the price the seller would like to achieve, or factors in an opportunity for a buyer to negotiate, rather than the actual sales figure. So, I don't find the adverts to be more persuasive than the motor valuation guides.

I acknowledge Mr G is of the view that extras he arranged, to the value of approximately £2,600, should be included as part of the overall market value of the vehicle. However, while I accept Mr G personally finds value in these extras, they don't influence the motor valuation guides. The purpose of the policy is to indemnify Mr G by providing the market value of the car. That value wouldn't be impacted by the application of the paint protection and warranty Mr G has referred to. The warranty is also a financial protection benefit which isn't something within the scope of cover of Mr G's policy. So, I'm not persuaded this changes things.

Putting things right

Tradex has paid £23,220 to Mr G in March 2025 – based upon the average of the motor valuation guides, £23,695, plus £100 for the personal effects claim, less Mr G's excess of £575.

I don't agree the settlement made is fair, for the reasons I have explained above.

As Tradex has settled the personal effects claim, I'm satisfied it doesn't need to do anything more with respect to this element of the claim.

But Tradex should pay Mr G the difference between the average of the motor valuation guides and the highest motor valuation guide.

Tradex should also pay 8% simple interest per annum on the difference from the date it made the interim payment to the date of settlement.

My final decision

My final decision is that I uphold this complaint.

I direct Tradex Insurance Company PLC trading as Tradex Insurance Company Limited to pay Mr G £695 plus 8% simple interest per annum on this sum from the date it made the interim payment to the date it makes the settlement.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 29 December 2025.

Oliver Collins
Ombudsman