

The complaint

Mr L has complained about the market value settlement esure Insurance Limited paid when he made a claim under his car insurance policy.

What happened

Mr L's car was involved in an incident and he made a claim to esure. esure decided to settle the claim by paying Mr L a market value settlement for his car, rather than repair it.

Mr L was unhappy with the valuation esure placed on his car and said it was worth more.

esure increased the valuation to £14,750.

Mr L remained unhappy and asked us to look at his complaint.

One of our Investigators found esure had reached its valuation in a fair way, in line with the policy and with our approach to valuation complaints.

Mr L didn't agree. Mr L raised new complaints which our Investigated explained Mr L would need to first raise with esure.

So as Mr L didn't agree 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.

We don't decide a valuation. But we can look at whether an insurer has reached a valuation reasonably and in line with the policy.

We find a reliable way to reach a fair valuation is to review the main motor trade guides. They provide average valuations for a car of the same make, model, specification, age, condition and mileage as Mr L's. Sometimes adverts can be persuasive evidence. If a make and model of car isn't unusual, this means there can be lots of similar cars for sale on the open market. And this also means the advertised prices can vary widely. So, where a car is popular – so not rare or unusual – we find generally the guides are a good indicator of what is a fair market value.

In this case, esure provided valuations it obtained from the main motor trade guides for Mr L's car. They ranged from £8,095 to £11,851. esure looked at adverts online and found three examples of similar cars which ranged from £10,495 to £15,000. So esure reached an initial market valuation of £13,332 based on the average of the advert examples.

Mr L is unhappy that esure included a lower example advert of £10,495 as he says this car is not comparable to his. He believes esure should increase the settlement to the average of the remaining two adverts at £14,500 and £15,000. Mr L found an advert for a similar car to his for £17,499. On this basis, Mr L wanted esure to increase the market value settlement to £15,666.

The advert for £17,499 was for a car with mileage of around 30,000 less than Mr L's car and listed as; "*£2,870 above market average*". So, I don't find this advert persuasive evidence to support an increase in the valuation esure paid.

In response, esure agreed to disregard the lower advert from the three it relied on. Having done this, it increased the market value settlement to £14,750 (the average of £14,500 and £15,000).

Mr L says he paid approximately £3,000 on maintenance and repairs to the car. The guides offer valuations which are categorised by condition. As esure used valuations on the basis Mr L's car was in good condition, I think this was fair.

Mr L has provided a letter from a dealership garage saying it would have advertised Mr L's car for sale at between £17,000 and £18,000. Another dealership garage said it would have advertised Mr L's car for sale at between £17,500 and £17,800.

I don't find this information to be persuasive against the motor guides and the advert examples provided. They are no guarantee of what the selling price would have been for Mr L's car.

As I've said, it isn't for us to decide on a valuation. But having looked at the information esure reviewed, I find it acted reasonably in reaching a valuation of £14,750. This is above the highest of the motor trade guides, which provide a 'retail transacted' sum. This is the sum a customer might expect to pay for a similar car from a retail garage. So this includes non-dealership garages.

Mr L says the amount esure has paid does not enable him to buy a similar replacement. But I find that it sits above the guides and within the average of an example of similar cars for sale.

So I'm not asking esure to pay any more.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 23 September 2025.

Geraldine Newbold
Ombudsman