

The complaint

Mr D complained that the settlement esure Insurance Limited (“esure”) offered him was too low and the standard of communication during his claim was poor, following the theft of his car under his motor insurance policy.

What happened

Mr D’s car was stolen. He made a claim to esure which it accepted. He said that on insuring his car esure valued it at £7,295. But he only received £3,250 in settlement. When he rejected the offer Mr D said he found it difficult to get through to the business. Additionally, he said esure didn’t call him back when it agreed to. Mr D said the settlement had been paid to his account despite his rejection and that he can’t replace his car for this amount. So, he complained to esure.

In its final complaint response esure told Mr D that it had followed the correct procedure when valuing his car. It said it would escalate his concerns to its engineering team to review the valuation. However, it didn’t change its settlement offer.

Mr D didn’t think he’d been treated fairly and referred the matter to our service. Our investigator upheld his complaint. He said the settlement should reflect the highest trade guide valuation, which was £4,770. He said the business should pay the remaining amount plus 8% simple interest. He agreed that esure’s standard of communication hadn’t been good. And said it should pay Mr D £100 compensation to acknowledge the impact this had.

esure didn’t accept our investigator’s findings. It said the highest trade guide should be discounted as it was out of line with the others. It maintained that its settlement was fair. Our investigator didn’t change his mind so esure asked for an ombudsman to consider the complaint.

It 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 Mr D’s complaint. Let me explain.

Mr D’s policy pays the market value in the event of a total loss due to theft. I acknowledge what he said about the amount his car was valued for. But the terms are clear that his policy pays the market value in the event that his car is stolen. I’m satisfied this is what esure should base its settlement figure on.

Market value is defined in esure’s policy terms as:

“The market value is the amount you could reasonably have expected to sell your car for on the open market immediately before your accident or loss. Our assessment of the value is

based on cars of the same make and model and of a similar age, condition and mileage at the time of accident or loss. This value is based on research from motor trade guides including: [trade guides]. This may not be the price you paid when you purchased the car."

Again, I think this makes clear that the maximum settlement will be the market value of the car subject to the claim.

We don't provide valuations for vehicles but rather we look to see whether the insurer's offer is reasonable. In assessing whether a reasonable offer has been made, we obtain valuations from the motor trade guides.

These guides are used for valuing second-hand vehicles. We find these guides to be persuasive because their valuations are based on nationwide research and likely sales figures. The guides also consider regional variations. We also take all other available evidence into account, for example, engineer's reports.

I can see esure obtained valuations from three of the trade guides we use. I've checked that it used the correct make, model and age for Mr D's car. Also, that it used the correct mileage and date for his loss, which it did. The valuations esure obtained were spread between £3,209 and £4,770.

Our investigator obtained valuations from these same three guides plus one more that we use. Again, I've checked that he used the correct details when obtaining this information, which he did. The valuations were between £3,133 and £4,770.

There's a variance between the lowest and highest of the valuations. The approach we take here is to use the highest valuation as a starting point. We then consider any evidence provided by the parties to see if this supports a different valuation.

esure said that the highest valuation produced by the trade guides was an outlier and should be discounted. But this isn't the approach we take. esure hasn't supplied evidence to support its view that Mr D can replace his car for less than the highest trade guide valuation. So, although I acknowledge what it has said, this doesn't persuade me that it settled Mr D's claim fairly.

Having considered the information provided I haven't seen anything that supports a different valuation than that provided by the highest trade guide. To ensure Mr D receives a fair settlement, esure should pay the difference between what it paid and the higher valuation for £4,770. It should also pay 8% simple interest on the unpaid amount.

I've thought about Mr D's concern that esure's communication was poor. I can see from the claim records that he called on 19 December 2024. The note said he'd replied to the offer esure had made confirming he wasn't satisfied with it. A voicemail was left on Mr D's phone by esure's engineer the next day. Mr D called back a few days later, again disputing the settlement figure and asking for a call at 11am. The records indicate an engineer did attempt to call Mr D around a week later, albeit in the late afternoon, and left another voicemail.

Mr D said he felt like he was being ignored. This is once esure had transferred its settlement to his bank account. Even though he made calls and sent emails.

Mr D's dispute about his settlement was close to the Christmas period. I accept that this may have had an impact. But Mr D had made his dissatisfaction known that he thought the settlement value was too low. esure could have made more efforts to contact him when previous calls went to voicemail. It could also have contacted him at the time he advised to avoid calls going to voicemail.

Mr D wanted to ensure he was getting a fair settlement, I don't think it was unreasonable that he wanted the opportunity to discuss this with an engineer. But this proved difficult causing him frustration and inconvenience. Because of this I agree with our investigator that esure should pay him compensation. I think £100 is fair.

In summary I don't think esure treated Mr D fairly in the settlement figure it offered him or in how it dealt with his concerns about its valuation. To put this right it should pay him a total of £4,770 plus 8% simple interest on the unpaid amount from the date of the original payment until this is paid in full. It should also pay Mr D £100 compensation.

My final decision

My final decision is that I uphold this complaint. esure Insurance Limited should:

- pay Mr D a total of £4,770 plus 8% simple interest* on the unpaid amount from the date of the original payment until this is paid in full; and
- pay Mr D £100 compensation.

*If esure considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr D 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 from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 26 December 2025.

Mike Waldron
Ombudsman