

The complaint

Mrs A has complained that Ageas Insurance Limited (“Ageas”) unfairly deducted a salvage amount from her settlement after she chose to keep her vehicle following an accident.

What happened

Mrs A held a motor insurance policy with Ageas. In August 2025 she reported an incident and sent Ageas a repair estimate. The vehicle was deemed a total loss based on the repair costs and Mrs A disputed this.

An engineer was instructed to inspect the vehicle due to the dispute. The report provided outlined that the estimated repair costs were £3,143.47 which exceeded the vehicle’s pre-accident valuation of £1,523 and the specialist’s final value of £1,473. The vehicle was therefore deemed uneconomical to repair.

Mrs A was given the option to retain her vehicle, which she accepted. The offer outlined the payment due if Ageas deducted the policy excess and salvaged the vehicle (£1,398), and the payment if Mrs A retained the salvage (£1,017.25). The retention cost was £380.75 according to Ageas’s agreed salvage rates.

Mrs A chose to arrange repairs to the vehicle herself. She complained to Ageas saying she should receive the salvage deduction back, that she didn’t understand how the figures had been calculated, and that she had managed to get her car repaired for only £1,000. Ageas explained that it would’ve been unable to let Mrs A keep the vehicle without any deduction of salvage as this would constitute betterment, but Mrs A didn’t agree. So she referred her complaint to the Financial Ombudsman Service.

Our Investigator considered the complaint, but didn’t think it should be upheld. He said Ageas hadn’t made the salvage deduction unfairly. Mrs A didn’t agree, and asked for the matter to be referred for an Ombudsman’s decision. The complaint has therefore 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.

As this is an informal service, I’m not going to respond here to every point raised or comment on every piece of evidence Mrs A and Ageas have provided. Instead, I’ve focused on those I consider to be key or central to the issues in dispute. But I would like to reassure both parties that I have considered everything submitted. And having done so, I’m not upholding this complaint. I’ll explain why.

I’ve checked the terms of Mrs A’s policy with Ageas. These say the following:

“Any payment the Insurer makes for total loss will be after they have deducted any Excess.

When You accept the Insurer’s offer for total loss (i.e. written off or stolen). The Insured Car

will belong to the Insurer.”

This means Ageas was entitled under the terms of Mrs A’s policy to take ownership of the vehicle, and this included the value of the salvage. So in order to keep the vehicle, Mrs A would’ve needed to pay the salvage value to Ageas. It wouldn’t have been possible for her to obtain a full settlement for the car and also keep the car. I think that was fair and in line with the policy terms.

I’ve also looked at Ageas’s decision to declare the vehicle a total loss. As the repair costs exceeded more than 60% of the market value of the vehicle, I think it was fair for Ageas to write it off as uneconomical to repair. That doesn’t mean it couldn’t be repaired, or couldn’t be repaired for less than the total loss report suggests. Mrs A has said she managed to get the car fixed for £1,000 – but I can’t comment on the quality of those repairs, and having considered the total loss report I’m satisfied that the estimated repair costs according to the professionals at the time were more than the vehicle was worth. And even if the repair had cost only £1,000 this would’ve been over 60% of the vehicle’s value so it wouldn’t have been unusual for Ageas to write the car off in those circumstances either.

Ageas gave two options to Mrs A – one of these was for her to retain the vehicle and one of these was for Ageas to retain the vehicle. In either case, as Mrs A had accepted Ageas’s offer for a total loss, the car belonged to Ageas. So as it was allowing Mrs A to retain the salvage (as she chose) then the salvage value would need to be deducted from the settlement amount. This isn’t unusual and simply reflects that the car was now Ageas’s and the salvage value was the amount Mrs A would need to pay Ageas in order to get the car back (in addition to a settlement amount for it under her policy).

Ageas has provided information to show that the 25% salvage deduction it applied was in line with the commercial arrangement it had with its salvage company and that this applied to other customers as well. So I’m satisfied it was treating Mrs A fairly by applying the same deduction. I appreciate Mrs A is unhappy that the details can’t be shared with her, but I’d like to assure her I’ve seen the information and I’m satisfied it’s in line with what we’d expect, as the salvage rates and deductions represent the residual value of the damaged car.

It follows therefore that whilst I’m sorry to disappoint Mrs A, I don’t consider Ageas has acted unfairly or unreasonably here and so I won’t require it to do anything differently.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs A to accept or reject my decision before 25 January 2026.

Ifrah Malik
Ombudsman