

The complaint

Mr R has complained his insurer, Ageas Insurance Limited, didn't pay a fair settlement for his car under his motor insurance policy after it was stolen.

What happened

Mr R's car was stolen. His motor insurer, Ageas, said the market value of his car was about £14,016, which included a deduction for pre-accident damage. At first, they had deducted £950 for this, but soon after reduced the deducted amount to £250.

Mr R wasn't happy with that. He said his car was worth more because of its colour and higher specification. And he didn't think what Ageas valued his car at was enough for him to purchase a replacement of the same type and condition as the stolen car. So, Mr R complained.

Ageas maintained that the settlement they came to represented a fair market value for Mr R's car. They said Mr R's policy covers damage to his car up to its market value and they calculate this based upon the condition and mileage of the vehicle at the time of the loss, as well as using industry recognised guides to assess a fair price.

Mr R complained to our Service. He said:

- His car was black with black alloys and a black interior – and that these are premium choices that increase the value of his car.
- Ageas incorrectly inputted his car into the guides – they didn't note that the car was a black edition, which devalued the car, and he had a DVD entertainment system.
- Ageas' system wouldn't allow them to change the settlement amount even though it was human error that meant the guides were showing the wrong details.
- The settlement figure was £750 to £1,000 lower than he expected.
- He had to borrow money to get a car – and distress was caused by the additional time Mr R spent on the claim, the frustration he had with Ageas' process, and the lack of support and guidance they gave.

He wants a higher settlement, paid for additional expenses involved in buying a new car, and compensation for avoidable and unnecessary inconvenience and delays.

Our Investigator saw that the date on one of the valuation guides was wrong, so asked Ageas about it. Ageas admitted this was a mistake and changed what they considered a fair market value to around £14,467 – and offered that amount to Mr R. The Investigator thought this amount was fair but didn't think it was fair for Ageas to deduct £250 for pre-accident damage.

Ageas initially accepted this, but later said it was fair for them to make the deduction. Mr R still wasn't happy, maintaining his previous position. He added that his car was in Ageas' possession and was physically inspected by their appointed engineer. So, he didn't think it was reasonable for our Service to ask him to evidence his car's additional specification which he thought warranted a higher value. He thinks Ageas would have been in a better

position to do this. He also wanted us to give weight to one of the guides Ageas considered which added £1,050 for his car's extras, as this wasn't added to the highest guide by Ageas.

I issued a provisional decision. Its findings form part of this final decision, so I've copied them in below. In it, I explained why I intended to direct Ageas to take some action. I also invited any further comments or evidence before I issued a final decision. I said the following:

"As ours is an informal service, I'm not going to respond to every point or piece of evidence Mr R and Ageas have provided. Instead, I've focused on what I consider to be key or central to the complaint. But I'd like to reassure both that I have considered everything submitted.

Our Service doesn't value cars. Instead, we check to see that an 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. We generally find these persuasive as they're based on nationwide research of sales prices.

Mr R's policy includes cover in the event his car is damaged. It says Ageas won't pay any more than the market value of the car at the time of damage or loss (less Mr R's excess).

And the policy defines 'market value' as the cost of replacing Mr G's car with another of the same make, specification, model, age, mileage and condition as his car. It continues that to determine the market value, Ageas may ask an engineer for advice and also refer to motor trade guides and other relevant sources – and that Ageas will consider the amount Mr R could reasonably have obtained for his car if he sold it immediately before the accident.

Ageas needs to effectively show their valuation is enough to allow Mr R to purchase a replacement car. That doesn't necessarily mean they need to offer the highest valuation available. But if their valuation isn't close to the highest valuation returned from the guides we look at, they would need to evidence this is fair.

Initially, Ageas used four motor guides which produced values of £14,583, £15,017, £13,200 and £11,979 respectively. They discounted the lowest of these and averaged the rest. They then deducted £250 because of pre accident damage and initially settled at a market value of around £14,016.

Ageas then admitted that the guide saying £11,979 was calculated incorrectly. They ran that guide again and it came to £13,830. Ageas adjusted what they considered a fair market value to around £14,227. I don't need to comment on whether the earlier amount was fair as Ageas has increased it. I'm satisfied that now they've corrected their initial mistake, it's reasonable for them to rely on the guides they obtained.

£15,017 is clearly the highest valuation from the guides and Ageas' market value isn't too far off this amount. But Ageas also submitted other evidence for us to consider, including adverts of cars they think show their settlement is fair. Mr R has made arguments about why he thinks the market value is higher – and submitted an advert for us to consider.

Mr R's car was a black diesel version of his car registered in 2014 with black interior. It had 93,849 miles on the odometer when the incident happened.

Ageas provided adverts from around the time of loss that they think back up their

settlement value. The adverts were all the same make and model from the same year as Mr R's car and other details were:

- Silvery grey with mileage of 103,000 for £13,500.
- White with mileage of 90,500 for £13,750.
- Black (silver alloy wheels) with mileage of 100,000 for £13,990.
- Black (black alloy wheels) with mileage of 103,500 for £13,990.
- And black (silver alloy wheels) with mileage of 93,000 for £13,995.

Mr R sent us a link to one advert he says closest matches his car. He said it was currently marketed at £15,995 which was classed as a great price. When I clicked on the link, it was priced much lower than this – although I acknowledge more time has passed since the incident. It was black with a black interior.

He said the specification for this car was a little bit better than his but his had some features that this one didn't. He said it matches his as the more preferred Black colour, Black Alloys, Colour callipers and black interior. He said the only major difference was his car didn't have the type of roof this one did but his also had an entertainment system with a DVD player.

The advert Mr R provided may show that it's possible to find examples of cars similar to his advertised at a higher price than Ageas' valuation. But that doesn't persuade me that Ageas didn't offer a fair market value for his car. He himself said he saw they were selling for between £14,000 and £16,000, and one advert showing a higher selling price isn't as persuasive as the guides or the multiple adverts Ageas have provided.

Three of the cars in Ageas' adverts had more mileage than Mr R's car, but two had less. And all of their adverts were showing cars listed at under Ageas' settlement value.

As Mr R has seen, one of the guides did take into account the additional extras that his car had – and it increased that particular guide by over £1,000. I understand why he would want the settlement figure increased by that much too. But Ageas has shown us examples of cars that included many specifications that would have likely affected the price in the same way

Mr R's extras would have – and these were priced at less than Ageas' £14,000. With that in mind, I'm not persuaded the extras on Mr R's car would have increased the market value above the amount Ageas considers a fair settlement.

Ageas reduced the value by £250 because of water damage in the lights. They said the damage was far greater than this and this is a fair reduction. Although I haven't seen many details of how much it would have cost to fix the damage, the amount Ageas offered as a market value is within the range I find fair anyway, so I don't need to consider whether the reduction is reasonable. And I won't be requiring Ageas to make the deduction.

After considering the evidence available, I'm satisfied that it's reasonable for Ageas to consider their figure of around £14,227 is a fair market value for Mr R's car in line with the policy terms.

I've seen that Ageas made some administrative mistakes (inputting the wrong information, for example), and I acknowledge these mistakes will have been frustrating for Mr R. But I don't think it would have made much difference to Mr R's

claims journey had these mistakes not been made. This is because he still ultimately would have been upset by the figure Ageas considered a fair market value for his car – and I haven't seen that their claims handling has delayed the claim in any meaningful way. Since I don't think he would be affected any differently had Ageas not made these mistakes, I won't be directing them to pay any compensation."

Ageas agreed to my provisional decision.

Mr R provided more information for me to consider. He said:

- Following the Investigator's assessment, Ageas had already confirmed they accepted the deduction should be removed and the £250 should be reinstated.
- It's taken over five months of correspondence and follow-up to reach this stage, largely due to administrative errors by Ageas – these included incorrect data entered into the valuation guides, inconsistent specification details, and the need for repeated corrections.
- During this period, he had to borrow funds to replace his car, and the process caused significant inconvenience and stress.
- He believes this level of delay and error demonstrates avoidable poor service that warrants an award for distress and inconvenience of between £150 to £200.

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.

Mr R is correct that Ageas initially accepted the Investigator's recommendation that they shouldn't reduce the settlement by £250. Ageas then said they still thought it was fair to make this deduction and they'd only accepted the Investigator's recommendations in order to resolve the complaint at that stage.

Before the complaint came to our Service, Ageas had made the decision to reduce £250 from the market value of Mr R's car due to damage that happened before the incident. Once they inputted the correct data into the relevant guides, the amount they thought was a fair market value for the car with that deduction was around £14,227. And that is also the amount they considered a fair market value at the time the complaint was passed to me to consider. Regardless of whether Ageas were willing to pay Mr R an additional £250 in order to resolve the complaint at an earlier stage, I found what they considered a fair market value was reasonable based on the evidence I saw. I would think this even if they reached £14,227 without considering any deduction at all. So, I won't be directing them to pay this additional £250.

I acknowledge there were things Ageas could have handled better – the incorrect information in one of the guides being one of those things. But I need to consider the impact of those mistakes on Mr R. He mentioned the amount of correspondence involved, but I'm not persuaded he would have sent any less if Ageas hadn't made the errors – Mr R was going to be unhappy with the valuation of his car no matter whether it was the original amount Ageas told him or the revised value based on the correct data. The mistake was discovered by our Investigator, and it was Ageas who offered to pay the higher market value, with our Investigator then saying it was fair. So, I think the effect of this mistake on Mr R was minimal and I'm satisfied that paying interest on the amount for the time it has taken to pay makes up for delay in doing so. And I don't think compensation is warranted for any other small administrative mistakes they made.

I'm sorry to hear Mr R is in a situation where he needed to borrow money to buy a car. But,

based on what I've seen, I'm not persuaded the difference in the amount he was paid and the amount I'm directing Ageas to pay is so significant that it affected whether he could replace his car in the interim. So, I don't think Ageas is responsible for any financial hardship Mr R is suffering.

I still think Ageas should pay the difference between what they've already paid Mr R and what they consider a fair market value for his car, and I won't be directing them to pay him any compensation for distress and inconvenience.

My final decision

For the reasons above, I uphold the complaint and direct Ageas to pay:

- The difference in what they initially thought was a fair market value and their updated value.
- 8% simple interest on this from when they paid Mr R previously until they pay him the difference.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 27 November 2025.

Andrew Wakatsuki-Robinson
Ombudsman