

The complaint

Mr G complains about the settlement esure Insurance Limited paid him following a claim on his motor insurance policy. He also complained about the way esure handled his complaint and the delays it caused when reassessing his settlement.

What happened

Mr G has a motor insurance policy with esure. His vehicle was stolen from outside his house in June 2025 so he contacted esure to make a claim on his policy.

esure accepted the claim. It deemed Mr G's vehicle a total loss and wrote it off. It said it would settle Mr G's claim by paying him the car's market value minus the policy excess. It initially said it believed the market value of Mr G's vehicle at the time of the incident to be £44,444. But later increased it to £46,318.

Mr G didn't think this was fair and complained. He thought the vehicle was worth more and it would cost around £55,000 to buy a like for like vehicle with the same specifications. He also raised some customer service issues.

esure upheld Mr G's complaint. It paid him £200 compensation to resolve the service issues and increased what it thought was a fair value for Mr G's vehicle to £46,318.

Mr G brought his complaint to our Service. He was still unhappy with what esure considered to be a fair valuation for his vehicle and said he had no choice but to buy a lower spec vehicle. He also said he experienced long delays during the claim and a lack of communication from esure.

Our Investigator recommended Mr G's complaint be upheld. She didn't think esure had evidenced that its valuation was fair. She recommended esure increase its value by £3,109 - the difference between its valuation and the highest guide valuation, making the total valuation £49,427. She also recommended esure pay Mr G an additional £100 compensation for the distress and inconvenience caused due to esure's poor communication during the claim – taking the compensation to £300 in total for the trouble and upset caused to Mr G.

esure didn't agree and asked for an Ombudsman's decision – it thought its valuation which was an average of the three valuation guides was fair. Mr G didn't respond to our Investigator's assessment. So, this complaint 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 it. I'll also be doing so for broadly the same reasons given by our Investigator. So, in line with our role as an informal service, I'll keep my explanation brief and focus on complaint points and evidence I consider to be key or central to the issue in dispute.

- Mr G's policy says the most it will pay in any claim is the market value of his vehicle. It defines market value as *"The market value is the amount you could reasonably have expected to sell your vehicle for on the open market immediately before your accident or loss. Our assessment of the value is based on vehicles 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: Glass's, Parkers, Cazana and CAP. This may not be the price you paid when you bought the vehicle."*
- It's standard industry practice for the industry to use valuation guides to work out the estimated market value of the vehicle. And it's not unreasonable that esure has done so. The valuation guides are based on the advertised prices for similar vehicles with similar age and mileage for sale at the time of loss.
- esure used three recognised valuation guides to value Mr G's vehicle and offered a valuation that was around the average of the three guides valuations.
- We use the same valuation guides as esure used here, plus one more if it's available. Using the three valuations esure provided, plus one other guide that produced a value for Mr G's vehicle we are presented with four valuations, £45,540, £47,748 (including £3,000 for the optional extras added to Mr G's vehicle), £48,269 and £49,427. I'm persuaded that the optional extras added to Mr G's vehicle substantially increased the value of his vehicle and this is something that esure should've taken into account when working out the market value of his vehicle.
- I consider it good industry practice for an insurer to pay the highest of the valuation guides unless it can provide evidence to support that's not a fair reflection of the car's value. esure hasn't paid the highest of the guides, so I've thought about whether it's provided enough evidence to support what it's valued the car at is fair.
- esure provided nine adverts with values that range between £28,700 and £45,680. Based on Mr G's estimated annual mileage of up to 8,000, I think it would be reasonable to assume the approximate mileage would be around 15,000 because the vehicle had 8,935 miles when it was last had an MOT in July 2023. I've considered the mileage for the adverts esure provided and I'm not persuaded that these vehicles are comparable because the mileage for two of these vehicles is substantially more than Mr G's vehicle by over 15,000. Three of the adverts have what I would consider to be comparable mileage, but for all nine adverts it's not clear if they had the same optional extras and specifications as Mr G's vehicle - including the engine's power output. So overall I'm not persuaded that the adverts provided by esure support not paying the highest of the guides a fair valuation for Mr G's vehicle.
- Mr G provided three adverts which he said, while the adverts didn't have the same specification and a lower mileage as his vehicle, they are advertised for significantly higher than his car. But I'm more persuaded that the highest of the valuation guides provides fair value because the guides are updated regularly and provide the value of his specific vehicle at the time of loss. This includes the added £3,000 value for the optional extras added to his vehicle which I'm satisfied added a significant increase to the value of his vehicle which is of a very high specification with all the additional features added.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint and require esure Insurance Limited to:

- Pay Mr G the difference between £46,318 and £49,427 (£3,109) - esure should add 8% simple interest per year from when Mr G paid it until he gets them back. If esure 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.
- Pay Mr G £300 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 8 January 2026.

Colleen Cousins

Ombudsman