

## The complaint

Mr G complains about the amount esure Insurance Limited trading as esure (“esure”) valued his car for when he made a claim under his motor insurance policy.

## What happened

Mr G had a motor insurance policy with esure covering his car.

In summer of 2025, his car was collided into by a third-party vehicle causing damage to it.

He contacted esure and made a claim.

esure assessed his car as being beyond economical repair and declared it a write-off. It said it would pay £3,022 to settle the claim. Mr G complained as he thought his car was worth more.

One of esure’s suppliers increased the valuation to £3,434 apparently without consulting esure.

Mr G remained unhappy with the valuation and brought his complaint to this service. He thinks the value of his car should have been over £3,800. He also complains about esure charging him a full year’s premium following his claim.

Our investigator looked into his complaint and thought it would be upheld. He thought esure should settle Mr G’s claim at a market value of £3,770, and he thought it should pay Mr G £100 compensation for his financial stress and the inconvenience caused by him having to work to find a valuation.

Mr G agreed with the view, but esure didn’t.

Because it didn’t agree, this complaint has been passed to me for a final decision.

## 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 read the file of evidence, I’m upholding this complaint.

This service doesn’t provide valuations for vehicles, but looks to whether the insurer’s offer is reasonable.

esure’s policy wording says it will pay:

*“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. This may not be the price you paid when you bought the car”.*

Our approach is that an insurer needs to pay a value in line with the highest value from the valuation guides, unless it can show why that value isn't correct.

I've done some research into the car and I've found these values for the date it was damaged, which are based on a vehicle with the same specification and mileage:

Valuation Guide A £3,217

Valuation Guide B £3,770

Valuation Guide C £2,339

Valuation Guide D £2,760

esure's market value was £3,022, which it obtained using an average of valuation guide prices.

I've looked at esure's evidence, which doesn't explain why Mr G's claim shouldn't be settled at the highest valuation guide price, which is £3,770. Mr G has also provided some evidence of why he thinks his car would be valued for this amount (and more), and I can see he's accepted the value in the view.

In the absence of further information from esure, I think it needs to settle Mr G's claim at £3,770, subject to the terms and conditions of the policy. It also needs to pay interest at 8% simple on the balancing figure, taken from the date it paid the initial settlement amount to the date it makes this payment.

Mr G also complained about esure charging him a full year's premium. Under the terms of his policy, Mr G has 'used' it by making a claim, so esure is reasonably entitled to retain the premium it charged him. But esure has confirmed that it is trying to recover its costs from the third party. It has advised that, once this process is complete, the claim will be closed as 'non fault' and Mr G will be able to request a pro-rata refund of his premium as he can cancel from the date of the collision. I think this approach is fair.

I can also see esure's service in valuing the car has caused Mr G some distress, and particularly some financial issues. I think compensation for this should be set at £100. I can see Mr G has accepted this.

### **My final decision**

My final decision is that I uphold this complaint. I direct esure Insurance Limited trading as esure to:

- Settle Mr G's claim at a market value of £3,770, subject to the remaining terms and conditions of his policy. Interest at 8% simple should be added to the balancing amount, from the date esure paid the initial settlement to the date it makes this payment. If esure considers that it's required by HMRC 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 from HMRC if appropriate.
- Pay Mr G £100 compensation for his distress and inconvenience caused by its claims process.

ensure must pay the amounts within 28 days of the date on which we tell it Mr G accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 30 March 2026.

Richard Sowden  
**Ombudsman**