

The complaint

Mr B complains that esure Insurance Limited (esure) unfairly settled his claim under a motor insurance policy.

What happened

The circumstances of this case are known to both parties, but in summary Mr B has a motor insurance policy underwritten by esure. In August 2025, Mr B's vehicle was stolen and so he claimed under his policy. esure accepted the claim and made a settlement of £2,121, less Mr B's policy excess, as this is what it considered was the car's market value. Mr B didn't think esure's settlement was fair as he said he was unable to replace his car with a like-for-like based on this figure. So Mr B complained to esure about this and its failure to provide a courtesy car while awaiting the settlement.

esure didn't uphold Mr B's complaint as it was satisfied its settlement was fair and in line with the terms of Mr B's policy. As Mr B remained unhappy, he referred his complaint to this Service.

Our Investigator ultimately upheld the complaint. They concluded that esure hadn't provided sufficient evidence to demonstrate its settlement was fair, and so recommended esure increase its settlement to £2,640 – which was the highest value provided by the motor valuation guides. They also recommended esure pay 8% simple interest on the difference from the date of its claim settlement to the date of payment. However, they concluded that under the terms of the policy, esure wasn't obliged to provide a courtesy car as this wasn't covered in the event of theft.

Mr B agreed with our Investigator, however esure didn't. It maintained its settlement in response to the claim was fair and so it asked for an Ombudsman to make a final decision.

So, the case 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.

I know I've summarised the circumstances of this case in less detail than presented. But I want to assure both parties that I've carefully considered all the information provided. I may not respond to every point or piece of evidence. But I've focused on the issues I consider to be key to the outcome of the case. This isn't meant as a discourtesy but reflects the informal nature of this Service – and the rules this Service are expected to adhere to enable me to do this.

Having reviewed all the available evidence, I am upholding this complaint. I'll explain why.

I appreciate that having a car stolen would have been frustrating and upsetting for Mr B. As Mr B has accepted our Investigator's view that he wasn't entitled to a courtesy car under the

terms of the policy, I won't look to comment on this issue within my decision – other than that I agree with the conclusions of our Investigator. My decision will therefore only comment on the claim settlement.

It isn't the role of this Service to provide an exact valuation of a motor vehicle. Instead, we consider whether an insurer has acted fairly and reasonably, in line with relevant regulatory rules which say insurers must handle claims promptly and fairly, the terms of the policy, and taking into account other relevant supporting evidence such as motor valuation guides.

So, the starting point is the policy terms and conditions as this sets out the basis of cover between the insurer and its policyholder. Mr B's policy terms confirm that in the event of a successful theft claim esure will pay the car's legal owner no more than the market value. Market value is defined in the policy 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: Glass's, Parkers, Cazana and CAP. This may not be the price you paid when you purchased the car.”

Therefore, what I need to decide is whether esure has acted fairly when settling Mr B's claim, and whether its actions are in line with the policy terms.

Our Service's approach to these types of cases is that an insurer should obtain several valuations from motor valuation guides. We generally find these persuasive as they're based on nationwide research of sales prices. It should then look to settle the claim in line with the highest of the motor valuation guides. If an insurer decides to depart from this, then it needs to demonstrate it is fair for it to do so by providing additional evidence that shows its customer can get a like-for-like car for the market value it has paid. If it can't evidence this, we would normally direct an insurer to pay the highest of the guides to ensure its customer isn't at any detriment.

esure deemed the value of Mr B's car to be £2,121. This was based on an average of four different motor valuation guide figures of £2,640, £2,153, £2,088 and £1,767. I've checked the valuations obtained by esure and I'm satisfied they are consistent with the specifics of Mr B's car from the time of loss.

As esure hasn't settled the claim in line with highest of the valuations, it needs to evidence that its valuation is fair – taking into account other available evidence such as advertisements of similar cars. So, I have gone on to consider the supporting evidence provided by esure.

esure provided three adverts which it said supported its value. I've carefully considered these, but I'm not persuaded they support that esure's valuation is fair. I say this because only one of the adverts is relatively consistent with what it considered was the market value of Mr B's car. The remaining two adverts are more aligned to the highest of the motor valuation guides. This indicates the highest of the motor valuations would be a fairer reflection of the market value of Mr B's car. Therefore, taken together, I'm not persuaded Mr B would be able to replace his car with one that is like-for-like as the adverts esure provided more closely reflect the highest of the motor valuation guides rather than esure's lower average.

I also recognise the adverts reflect similar cars but with a lower mileage. But, given the age of Mr B's car, I'm not persuaded the difference in mileage would reflect a lower market value

given Mr B's car is a popular mass-produced vehicle, and so I would expect esure to have provided more adverts to support that its market value is fair. As it has only provided one advert which is consistent with its market value, and Mr B's car isn't unusual or uncommon, I'm not persuaded esure has shown its valuation is fair.

It follows that I'm not persuaded esure has settled Mr B's claim fairly. So, it should now pay Mr B the difference between its original market value, and the highest of the motor valuation guides.

My final decision

My final decision is that I uphold this complaint, and I direct esure Insurance Limited to:

- Pay Mr B £519 – which is the difference between its market value, and the highest of the motor valuation guides.
- Pay 8% simple interest* on the difference from the date of its interim claim payment to the date of settlement.

* If esure Insurance Limited thinks that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr B 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.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 1 April 2026.

Oliver Collins
Ombudsman