

## **The complaint**

Mr C has complained that the settlement he received from his insurer, Acromas Insurance Company Limited ('Acromas'), after his car was declared a total loss was too low.

## **What happened**

In August 2025 Mr C's car was damaged by a falling tree. He made a claim on his policy with Acromas who assessed the car and declared it a total loss.

Acromas assessed the pre-accident value of Mr C's car at £5,574.66 but he didn't agree and raised a complaint. Mr C said that Acromas merely carried out a desktop assessment and didn't inspect the vehicle or look at any photographs Mr C offered to provide. Mr C said his car was in a very good condition and had never failed an MOT test nor had any advisories.

Acromas didn't uphold the complaint and said the valuations were based on motor valuation guides and that Mr C was offered the average valuation provided by the guides.

Mr C then brought his complaint to our service where it was considered by one of our investigators. Our investigator didn't consider that Acromas' offer was fair and thought this should be increased to £6,520 to bring it in line with the highest valuation produced by the guides Acromas had consulted. Our investigator also thought Acromas should pay Mr C £150 for the distress and inconvenience it caused him as its low offer made it more difficult for him to find a replacement vehicle.

Acromas didn't agree and asked for an ombudsman's decision. It questioned why our investigator disregarded an advert it provided in support of its valuation. It added that it doesn't pay compensation for stress experienced after an accident because it is always likely to happen.

Our investigator didn't change his view and so the matter was 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.

Like most motor insurance policies, Mr C's provides cover in the event there is loss of or damage to his car. The policy states that the most Acromas will pay is the market value of the vehicle. The policy defines "market value" as:

"The cost of replacing your vehicle with a vehicle of the same make, model, specification, age, mileage and condition as your vehicle was immediately before the loss or damage you

are claiming for. Where we are unable to estimate the market value of your vehicle we will use the nearest market equivalent for comparison.”

Our service has an approach to valuation cases like Mr C's that has evolved in recent times. When looking at the valuation placed on a car by an insurance company, I consider the approach it has adopted and decide whether the valuation is fair in all the circumstances.

Our service doesn't value cars. Instead, we check to see that the 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. I usually find these persuasive as they're based on nationwide sales prices.

Acromas consulted four guides but discounted one because the valuation produced differed by 10% from the average of the others. It told us it was lower than the other guides but from the valuation report it provided it seems it was higher. The guides Acromas used produced values of £5,428, £5,816, £5,480 and £6,520. I've also reviewed the valuations our investigator obtained using the same guides which returned values of £5,286, £5,825, £5,535 and £6,510. I think the valuations are fairly close to each other and I'm, therefore, persuaded that they are for the same car. And I didn't consider any to be an outlier so, I haven't discounted any of them.

Acromas valued Mr C's car at £5,574.66. It said this was the average of the three valuations it used, after discounting a fourth one.

Mr C believed his car was worth more and provided several adverts, which I've considered. Three of these were for cars with much lower mileage than Mr C's. As the advertised prices ranged from £7,450 to £8,790, I don't consider them to be persuasive evidence that his car was worth more. Mr C also provided an advert for a slightly older car with similar mileage, advertised at £8,000. However, that car was of a lower specification and had a large number of previous owners. Taking this into account, I didn't find the advert particularly persuasive either, as the price did not appear to align with the other examples Mr C found, which were for newer, lower-mileage cars.

Acromas has also provided an advert in support of its valuation. The advert was for a similar car with similar mileage to Mr C's which was advertised for £5,995. Mr C said the car in the advert was not in as good a condition as his own. He was able to produce its MOT history which showed that it had a number of advisories over the years.

Though adverts can sometimes assist when considering whether an insurer's valuation is fair and reasonable, they aren't always a reliable indication of what a car is actually worth. That is particularly true where, as here, there are very few comparable vehicles available. I consider the car to be relatively rare because neither party was able to locate many similar examples for sale. And of the adverts that were provided, the prices varied so widely that they don't point to a clear or consistent market value. In these circumstances, I don't find the adverts as persuasive as the valuation guides. So I'm not persuaded by the single advert Acromas relied on that Mr C would have been able to replace his car for £5,574.66. Even if I were to base my assessment solely on that advert, Acromas' valuation would still be around £400 too low.

Looking at the valuations produced by the guides I'm not persuaded that Acromas' offer of £5,574.66 is fair. Given that there isn't any other evidence that is as persuasive as the guides to persuade me that a valuation in line with the higher valuation produced is inappropriate and to avoid any detriment to Mr C, the highest valuation produced by the guides is my starting point. And considering the overall variation of the values produced I consider that £6,520 is a fair valuation.

Overall, I don't think Acromas acted fairly and reasonably in assessing the value of Mr C's car. I think the value it provided was especially low even by its own research. And I also don't think it was reasonable that it discounted the highest valuation. Mr C said he found it particularly difficult sourcing a replacement vehicle for the amount he was offered. Though I accept this was already a stressful situation for Mr C, had Acromas assessed the value fairly from the start I think the distress and inconvenience Mr C suffered would have been reduced. It follows that I think Acromas should compensate Mr C for the way it handled the matter. I agree with our investigator that it should pay Mr C £150 compensation which is in line with awards we make in similar circumstances.

### **My final decision**

For the reasons above I have decided to uphold this complaint. Acromas Insurance Company Limited must pay Mr C the difference between the £6,520 valuation and its £5,574.66 valuation. It must also pay 8% interest per year simple on the amount it pays Mr C from the date of the original settlement to the date it pays him. I note that the £650 excess has already been deducted so it doesn't need to be deducted again.

Acromas Insurance Company Limited must also pay Mr C £150 compensation for the distress and inconvenience it caused him.

Acromas Insurance Company Limited must pay the compensation within 28 days of the date on which we tell it Mr C accepts my final decision. If it pays later than this it must also pay interest on it from the deadline date for settlement to the date of payment at 8% a year simple.

If Acromas Insurance Company Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr C how much it's taken off. It should also give Mr C a tax deduction certificate if he asks for one so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 24 March 2026.

Anastasia Serdari  
**Ombudsman**