

## The complaint

Mrs G complains Liverpool Victoria Insurance Company Limited (LV) unfairly settled her claim on her motor insurance policy after her car was classed as a total loss.

## What happened

Mrs G made a claim on her motor insurance policy after her car was damaged in an incident.

LV's engineer reviewed the damage to the car, and it was deemed beyond economical repair and therefore was classed as a total loss. LV made Mrs G a market valuation of £4,160 for the car.

Mrs G was not happy with the settlement. She said it was a one off special edition, and she wanted it repaired. She felt it was worth a lot more than LV's market valuation.

Because Mrs G was not happy with LV, she brought the complaint to our service.

Our investigator didn't uphold the complaint. They looked into the case and said they were persuaded that LV's valuation was fair because it had offered an additional payment based on the special features. They said they'd seen no material evidence to support an increase to the market value provided. And they said LV's offer had been made within a reasonable time.

As Mrs G is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

## 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.

In this case I have considered whether LV acted fairly and reasonably in reaching its decision as to the settlement offered to Mrs G following the incident in which her car was damaged.

LV said the car was a total loss. The policy definition of a total loss is "*the amount of damage to your car which means it's uneconomical or unsafe to repair or has been stolen and not recovered*". In this case I understand it was found to be uneconomical to repair. And as such, LV made a market valuation settlement offer.

Mrs G said her car was not a total loss and the market valuation offer was not enough to complete the required repairs. She didn't accept LV's offer, and organised for the repairs to be completed with her own repairer of which she paid for. I do recognise that the car has a lot of sentimental value to Mrs G and I can therefore understand why she would want the repairs to be completed. Although I recognise the car was repairable, the terms of her policy does not cover the cost of repairs if they are uneconomical, so I am unable to tell LV to pay

for them in the circumstances of this claim. However, I can look to see that LV offered her a fair market valuation.

My role is not to provide an exact valuation but to make a judgment as to whether the offer of settlement is fair.

Although this service doesn't value vehicles, we do check that the insurer's valuation is fair and reasonable and in line with the terms and conditions of the policy. We use valuation guides to do this, and they're based on nationwide research of likely selling prices and take the car's specifications, mileage etc into account.

This service doesn't consider the question of market value to be an exact science, however our general approach is that the valuations given in the main motor valuation guides provide the most persuasive and consistent evidence. These guides are based on extensive nationwide research of likely (but not actual) selling prices.

Prices of used cars can change on a regular basis. This could be an increase or decrease. This is the reason why we take the approach that if LV can demonstrate, that it used a fair process to value the car then we wouldn't interfere with the offer it has made.

The terms and conditions of her policy says;

*"Market Value*

*the cost of replacing your car with the same make, model and specification. Age, mileage and condition will be taken into account. We'll ask an engineer for advice, use motor trade guides and other sources to determine the market value at the time of the accident or loss. We'll consider the amount you could have reasonably got for your car if you sold it immediately before the accident, loss or theft and not the price you paid for it."*

In this case Mrs G's said her car was a special edition and it had a special paint finish, and there were no like for like cars to make a direct price comparison.

I looked at the information LV used when calculating the market value for Mrs G's car. I saw it obtained valuations from two of the main valuation guides for the same make and model of car. The highest valuation was £3,360. It also provided adverts of two similar cars for sale at £2500 and £2,595. Because Mrs G's car had special paintwork there was no direct comparison, so it obtained costs to make a standard model look like her car. LV offered the highest valuation plus an additional £800 for the special paintwork, making a market valuation of £4,160. As Mrs G wanted to retain the car there was a salvage retention fee of £680, however as a gesture of goodwill it deducted £80 from that fee making a settlement of £3,560, less the policy excess.

I looked at the valuations our investigator obtained. They used four of the main valuation guides. The highest of these four valuations was £3,360 and the lowest was £2,759. The highest was the same as the highest obtained by LV.

Based on the highest valuation our investigator obtained, being the base price LV used for a standard car I think this was a fair starting point in this case. And I consider the additional £800 for the specialised paint to be fair and reasonable.

Mrs G said the car was bought at a charity auction for approximately £9,000 a number of years ago and the valuation should be much higher than £4,160 because it is a special edition that would have meant a higher valuation.

I think LV made a fair market valuation offer, because it increased the highest valuation it obtained by a further £800 due to the specialist paint on the car, despite the fact that Mrs G's

policy had detailed there were no modifications to the car. I have not seen evidence that persuades me why the market valuation should be increased further.

I am satisfied that the valuation provided is a fair market value settlement offer.

### ***Delay***

Mrs G said she was without a car for the three months it took for the repairs to be completed. I understand the incident in which Mrs G's car was damaged was not her fault and I recognise not having a car, and having to rely on others, would have been inconvenient and stressful for her. However, I am unable to hold LV responsible for this because it was her decision to have the repairs completed and the repairer was her own choice.

I saw the total loss settlement amount of £4,160 less the £600 cost to retain the car was made to Mrs G within a couple of days of the claim being made. And I saw LV offered to pay this amount to her at the start of September 2024 but this was refused. I have not seen any evidence of avoidable delays being caused by LV.

I understand the accident will have been very stressful, and caused Mrs G a lot of inconvenience, and I also recognise shortly after she had a very close family member's illness and then bereavement to deal with. I am sincerely sorry to hear of this. However, although I know she will be very disappointed I don't uphold her complaint and I don't require LV to increase its settlement offer or do anything further in this case.

### **My final decision**

For the reasons I have given I don't uphold this complaint.

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

Sally-Ann Harding  
**Ombudsman**