

The complaint

Mrs M and Mr S complain that Ageas Insurance Limited has treated them unfairly with the offer made to settle a claim on their motor insurance policy.

Mrs M and Mr S, feel the offer made for the value of their vehicle after it was declared a total loss is too low. And it doesn't provide them with the ability to find a comparable replacement.

What happened

Ageas has made an offer to settle Mrs M and Mr S claim for the total loss of their car with a valuation of £6745. Mrs M and Mr S feel this valuation is significantly below the market value of the car. They say this because when looking to replace the car with a like for like replacement, this value is lower than all of the adverts they've seen.

Mrs M and Mr S provided this Service with a number of adverts to support their argument that the offer made by Ageas was too low.

Our investigator set out this Services approach to motor valuation complaints and explained we look at the motor valuation guides as well as the adverts provided, to determine whether the offer made by a business is fair and reasonable. We are not here to value cars ourselves, and instead rely on the information available to determine whether the offer made is fair and inline with the terms of the policy in place.

The investigator felt the adverts provided by Mrs M and Mr S were not all comparable to their car. With different ages and differences in the mileage on the examples provided, the investigator wasn't persuaded these could be used to show that the offer made by Ageas was unfair.

One advert was of a car of a similar age, engine size and mileage and they felt this could be used as a comparison with an advertised price of £9800. But with this meaning only one advert was provided, they didn't think this was enough to outweigh the data from the valuation guides. And they didn't think Ageas needed to increase its offer.

Mrs M and Mr S disagreed with the outcome. They explained they had replaced their car with a like for like model with similar specifications but lower mileage at a cost of £12500. They said they do not expect the total cost of this replacement to be provided, but feel the offer made by Ageas should fairly reflect the market value of their car at the time of the loss.

They provided evidence of the adverts they felt showed comparable cars and explained why the rarity of this car meant the adverts were limited. But this also supported why their car in the condition it was in and with the mileage it had, would have commanded a higher price than the offer made. With this in mind, they questioned how reliable the valuation tool data could be.

Our investigator said they still felt the valuation guides should be relied on here to give a fair valuation. They didn't think it was right to depart from these with such limited evidence provided to discount this as most of the adverts were not cars which could be considered a

like for like comparison.

Mrs M and Mr S disagreed and asked that the complaint be referred for decision.

I issued a provisional decision on this complaint and said the following:

I plan on upholding this complaint as I am not persuaded on the evidence provided, that the settlement offered for Mrs M and Mr S's car is fair and reasonable. I've explained below why I am planning on reaching this outcome and the recommendation I've made to put things right. This may not go as far as Mrs M and Mr S hope for, but I think the proposed outcome is a fair resolution to this issue.

Our investigator has set out the approach this Service takes to motor valuation complaints and confirmed the wording of the relevant insurance policy to Mrs M and Mr S. This explained that Ageas will compensate Mrs M and Mr S for the loss of their vehicle by paying the market value of this. It defines this as:

"The cost of replacing the car with another of the same make, specification, model, age, mileage and condition immediately before the loss or damage occurred".

Mrs M and Mr S feel the rarity of their car and the lack of examples within the open market, means the valuation should be higher as this doesn't currently reflect the true market value. They believe this also means the adverts provided, although not all directly comparable, due to the limitations of the number of these cars being available, should all be considered to show the valuation offered by Ageas is unreasonable.

There are four motor valuation guides that this Service uses to return valuations for cars and all four were able to return a valuation for Mrs M and Mr S's car. These are Glass's, CAP, Autotrader and Percayso which gave values of £5,530, £5,775, £6,022 and £6,439 respectively when we made the valuation request.

Mrs M and Mr S's car had 35,000 miles on it at the time of the loss and they've said it was in immaculate condition. It also has a number of factory fitted extras which they feel support it being a more desirable and valuable car. And they've expressed concerns about the accuracy of the data within the valuation guides.

I've considered this and the detail of the valuation guides available. Mrs M and Mr S have expressed concerns about the data and cars these rely on, but this is based on their experience of search engines for purchasing cars and issues here. The guides we used rely on the exact details of the cars, whose value is requested, being input accurately to return a valuation based on the market data.

This Service relies on these, as does industry, to being accurate and I've not seen anything to give rise for concern here. But for reassurance, with one of the guides listing some of the cars available on the market at the time of the search, I have checked the details of a sample of these cars to confirm the make, model and engine size is a fair comparison. All show this to be correct so I am satisfied the values provided are cars of the same make, model and engine size.

Ageas used the same guides we ran to help it determine what it felt the market value of the car was. Percayso returned the highest valuation, of £6745 when it ran the search. Within the cars it showed available for sale at the time of the search being completed, it showed a 2014 manual 1.3L car of the same make and model with 24,000 miles was advertised for £6995. There wasn't anything of the same age or closer milage than this as a comparison. All other cars were older and most with considerably higher mileage and the advertised

prices shown were much lower.

The number of adverts provided is limited, but when thinking about the number of cars available, as demonstrated within the guide above, I think it is fair to consider these against this. Mrs M and Mr S have said there is a scarcity of the number of cars which are like for like and it's because of this, they think it is fair to look more widely at whether, the offer made reflects the market value and more weight should be placed on the adverts provided.

Although I cannot check to see what was available at the time of loss, when an argument is made about the scarcity of comparable cars and a limitation with finding these, I think it is sensible to check what the market looks like now for an indication of what it could have been at the time. Having done so, I agree the number of cars available of the same make and model with the same engine size is limited.

With the adverts provided by Mrs M and Mr S, most did show cars of a different age or with significantly different mileage. But one was a fair comparison, with only slightly lower mileage with 33,000 miles with an advertised price of £9,800. This advert was not from the time of loss, but from the time when Mrs M and Mr S brought their complaint to this Service.

The adverts provided at the time of loss showed cars with lower mileage with one at 24,000 miles for £10,995 and one with around 11,000 miles for £12,500. When compared to the car shown as available from Percayso's search, with 24,000 miles completed, it appears to be an outlier with the valuation compared to the two values here.

I am not persuaded that the market value offered for Mrs M and Mr S's car is fair. The policy says this will be based on the cost of replacing their car with another of the same make, specification, model, age, mileage and condition immediately before the loss or damage occurred. I am not satisfied with the offer made, that Mrs M and Mr S's could reasonably have done this.

There was cars available of the same make, model and age at the time of the loss. But the mileage was different, with the closest comparison being 11,000 miles short of Mrs M and Mr S car. It is fair to expect a car with lower mileage will be more expensive than one with higher mileage and the later advert from when the complaint was brought to us demonstrates this. But the reduction based on the mileage does not show the cost being reduced to the settlement value provided by Ageas.

Taking account of how few cars there are on the market, of a similar make, model, age, condition and mileage at the time of loss, I think it is fair to depart from the valuation guides. I say this because the Percayso data demonstrates how limited the pool of comparable cars was from its search at the time.

The advert provided which is broadly similar, places a value of £9800 on a replacement car. This has 2000 less miles than Mrs M and Mr S's car. As I've said, I think it is fair to expect mileage to have an impact on the cost and I don't think it would be fair to match this. But I think it would be fair to see the valuation of their car being increased and raising this to £9250. I think this more fairly reflects the market valuation of the car at the time of loss, based on the ability to replace this and the cost of a replacements available at the time.

Putting things right

To put things right, Ageas should increase the settlement offer its made for the market value of Mrs M and Mr S's car to £9250.

It previously offered £6745 and Mrs M and Mr S chose not to accept this at the time, so this

wasn't paid.

Based on the above, Ageas should add 8% simple interest on the difference between £6745 and £9250, from the date it offered the settlement of £6745, until date of payment.

Mrs M and Mr S accepted the proposed outcome.

Ageas responded to say it didn't agree. It felt the car considered as a fair comparison was not similar enough to be considered as such. This is because it was an automatic gear box and not a manual gearbox in like the previous car.

With this being removed from the adverts provided, leaving no comparisons of a similar make and model, they felt it was fair to rely on the guides as they had done previously. And the guides had little variance which supports them being reliable.

It did however offer to increase the settlement by £207. This was based on it being aware that the previous car had an additional extra paid for when new and this was the paint, costing £450. It applied the level of depreciation to the car values overall, based on the guide prices, and feels this additional offer is fair and reasonable.

With comments from both sides provided, the case has been passed back to me for consideration.

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've thought carefully about the response provided by Ageas as I accept, that to depart from the guide prices and valuation is not something this Service recommends often.

Ageas has said the make and model of Mrs M and Mr S's car was not well sold with numbers being low when it was first available as new. It is this which means there is limited numbers now available and the guides should be relied on when determining what the fair market value is. It also feels the transmission of the car I'd said was a fair comparison, is different and this means it cannot be seen as a comparable car.

I agree the transmission of the car can make a difference to the price. But with such few available cars of a similar make and model, I've included this as a comparable. When the pool of cars available to compare is smaller, it is fair to make some concessions on what is or isn't similar. And ultimately, I've not said the advertised price of this car should be matched, but that it can be taken to support the argument that, Mrs M and Mr S are not able to replace their car with the settlement value offered.

Of the three adverts provided, all had very low mileage with no more than 33000 miles per car. Mrs M and Mr S's car with only 35000 miles recorded was also arguably a car that could be classed as 'low mileage'. All three also support the fact that while not necessarily a popular car with limited numbers sold, older cars with low mileage retain a higher value.

Mrs M and Mr S paid £12500 for a replacement car of the same make, model and age of their previous car, also supporting this. So I am not satisfied the depreciation described by Ageas in the price of these cars is fair or true of the market, especially when thinking about cars with lower mileage.

I said previously there was another car with details provided by Percayso with 24000 miles showing, but the price of this car was significantly below the price of the three adverts provided. So, this felt like an outlier for the price of a low mileage car of the “*same make, specification, model, age, mileage and condition immediately before the loss or damage occurred*” and this opinion remains.

Overall, I am not persuaded that Mrs M and Mr S would be able to have replaced their car, in line with the policy wording set out above, for the £6745 paid. While Ageas has said it will increase this amount to reflect the paint applied to the car, I don't think this goes far enough to reflect the market value of it.

As I've said before, I don't think it would be fair to match the price of the advert provided by Mrs M and Mr S. It doesn't show the replacement price of an exact match but it does support, with the other information provided, that the valuation made by Ageas is not fair and reasonable. Importantly, I remain satisfied that Mrs M and Mr S would not be able to find a car of the same make, specification, model, age, mileage and condition immediately before the loss or damage occurred, for the cost of the settlement paid and it is fair and reasonable this is increased.

Putting things right

I acknowledge the offer to increase the settlement amount for Mrs M and Mr S's car by £207, but I still feel this does not go far enough. I am asking Ageas to do the following now as I think this provides a fair and reasonable resolution for this dispute.

To put things right, Ageas should increase the settlement offer its made for the market value of Mrs M and Mr S's car to £9250.

It previously offered £6745 and Mrs M and Mr S chose not to accept this at the time, so this wasn't paid.

Based on the above, Ageas should add 8% simple interest on the difference between £6745 and £9250, from the date it offered the settlement of £6745, until date of payment.

My final decision

Your text here

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

Thomas Brissenden
Ombudsman