

The complaint

Mr N complains about the amount esure Insurance Limited (esure) has paid to settle a claim he made against his motor insurance policy.

What happened

Mr N had a motor insurance policy with esure. He made a claim on his policy after his car was stolen in January 2024. esure said it would settle Mr N's claim by paying him the car's market value minus the policy excess. It valued the car at £16,608.

In September 2025, Mr N complained about esure's valuation. He said the valuation he received didn't allow him to buy a like-for-like replacement of his car. esure maintained it had valued Mr N's car appropriately.

Unhappy, Mr N brought the complaint to our Service. Our Investigator thought esure's valuation was fair. As Mr N didn't agree, the complaint has been passed 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.

I'm aware I've set out the background to this complaint in less detail than the parties have presented it. I'm not going to respond to every single point raised. Instead, I've focused on what I find are the key issues here. I assure both parties, however, that I've read and considered everything they've provided.

The starting point is the policy terms and conditions which form the contract of insurance between esure and Mr N. The terms of the policy say the most esure will pay is the market value of the car. And the policy defines 'market value' as follows:

"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 bought the car".

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 check valuation guides, adverts and other relevant evidence. The valuation the guides give are based on the advertised prices of similar cars with similar age and mileage for sale at the time of loss. We expect insurers to use valuation guides when valuing a car for claims purposes.

esure said it used three guides which produced values of £12,650, £15,955 and £17,260 respectively. Our own results from the guides weren't materially different to the values obtained by esure. We consider the safest way to ensure a consumer receives a reasonable replacement cost (market value) for their car is for an insurer to pay the highest of the valuation guides, unless it can provide evidence to support that's not a fair reflection of the car's value.

esure hasn't paid the highest of the guides. Instead, it's based its valuation of £16,608 on two adverts which it says support that a figure lower than the highest guide is fair. So, I've thought about whether it's provided enough evidence to support that its valuation is fair.

I can see esure's adverts range in price between £15,999 and £16,475 for cars of the same make and model, same age and similar mileage to Mr N's car at the point of loss. esure's valuation of £16,608 is higher than the advertised prices. So, I'm satisfied the adverts provided support esure paying a lower amount than the highest of the guides was fair and that Mr N would be able to purchase a like-for-like car for the market value determined by esure.

I appreciate Mr N feels esure's valuation falls short of allowing him to buy a like-for-like car in a similar condition and he has raised concerns about esure relying on adverts from private owners. But I can see that esure's adverts are from two reputable car dealers for cars in a similar condition to Mr N's car.

I've also considered Mr N's argument that his car needs to be compared with one that's two years newer as his claim settlement was paid two years ago. But I don't find that a fair comparator because I'm persuaded that age would have a material impact on the valuation of a car. As I'm satisfied esure's valuation of Mr N's car is fair and reasonable, I'm not directing it to do anything more.

My final decision

For the reasons set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 20 April 2026.

Linda Tare
Ombudsman