

## The complaint

Mr C complains that Adrian Flux Insurance Services Group (AFI) mis-sold him an Agreed Value add-on to his motor insurance policy.

Mr C's represented by Mrs C, but for ease of reading, I'll refer to Mr C throughout.

## What happened

In December 2023, Mr C took out a motor insurance policy through AFI to provide cover for his camper van which was insured by an underwriter called A. At the same time, AFI sold Mr C an 'Agreed Value' add-on, which was insured by an underwriter I'll call T. The Agreed Value add-on was to ensure that Mr C received the full value of his camper van in the event of a total loss claim, rather than the market value he'd be entitled to under his policy with A. The policy renewed in December 2024, with the policy again including the Agreed Value add-on.

Unfortunately, in February 2025, Mr C's camper van was seriously damaged and so he made a claim on the policy. As A would only pay the market value of the camper van, Mr C wanted to claim under the Agreed Value add-on.

However, T and AFI told Mr C that he hadn't activated the Agreed Value cover. That's because he'd been required to send AFI an Agreed Value request form, together with seven photos of the camper van so that an Agreed Value could be confirmed. AFI said the requirement to activate the cover was clearly set out in its policy documentation. So T didn't think any payment was due under the Agreed Value add-on. However, as a gesture of goodwill, AFI sent Mr C a cheque for the premiums he'd paid for the Agreed Value cover in 2023/24 and 2024/25 policy years.

Mr C was very unhappy with AFI's position and he asked us to look into his complaint.

Our investigator didn't think AFI had done anything wrong. In brief, she thought AFI had met its obligations to send Mr C clear, fair and not misleading information about the policy in the post-sale documentation. And she thought the paperwork made it clear enough that Mr C needed to take action in order to activate the Agreed Value add-on.

Mr C disagreed and so the complaint was passed to me to decide.

I asked AFI if it could ask T to determine what the Agreed Value of Mr C's camper van would likely have been based on the photographs of the van immediately prior to the loss. AFI said T may have valued the camper van at between £14,000 and £15,000.

I issued a provisional decision on 8 December 2025, which explained the reasons why I didn't think AFI had treated Mr C fairly. I said:

*'Did AFI do all it should have done?'*

*The evidence indicates that AFI didn't recommend the Agreed Value policy to Mr C. That means it didn't need to carry out an assessment of Mr C's demands and needs or check it*

was suitable for him. However, in line with the regulator's rules, it did need to give Mr C enough clear, fair and not misleading information about the Agreed Value cover so that he could decide whether it was right for him. This included an obligation to highlight any significant and/or onerous terms or restrictions on cover at the point of sale and in any post-sales documentation.

It's common ground that while Mr C took out the Agreed Value add-on, the cover wasn't activated. That's because Mr C needed to send in an Agreed Value form and seven photos so that an agreed value could be confirmed. But he didn't do so. In my view, both the need to activate the Agreed Value cover and the steps Mr C would need to take to do so were significant terms which AFI ought to have reasonably highlighted to Mr C at the time of sale. So I've gone on to consider whether I think it did so.

I've listened to the sales calls that took place between Mr C and AFI in December 2023 and the renewal call which took place in December 2024. During the second call in December 2023, AFI's agent offered Mr C the Agreed Value cover and explained the annual premium and the amount that would be due monthly. Mr C agreed to take out the Agreed Value add-on. There was no indication that Mr C would need to do anything in order to activate the cover, although I accept this was set out in the post-sale paperwork which was added to his customer portal. I also acknowledge that the agent told Mr C to read the policy documentation.

In December 2024, Mr C again spoke with one of AFI's agents to discuss renewal. During that call, the agent stated that Mr C had Agreed Value cover which would pay out. Again, they didn't indicate that Mr C needed to take any action to activate the cover – or indeed, that it hadn't been activated during the previous policy year and therefore, wasn't actually in place.

This means that I'm not satisfied that AFI took steps to highlight this significant term and limitation on cover to Mr C either when it sold him the policy or at renewal. I think that during the sales and renewal calls, the need to activate the Agreed Value cover should have been made very clear to Mr C. And if it had been, I think it's most likely Mr C would have ensured he sent the relevant paperwork to T and AFI to ensure an Agreed Value could be confirmed and activated. This would likely have meant Mr C would've been entitled to a pay-out under the Agreed Value add-on following the loss in February 2025.

So I'm not currently persuaded that AFI met its regulatory obligations when it sold or renewed Mr C's Agreed Value cover and I also think it's more likely than not that this has caused Mr C to lose out financially.

Did Mr C do all that he should have done?

As I've set out above, AFI also needed to give Mr C clear, fair and not misleading information about the policy once the sale had completed. AFI has provided evidence that it uploaded Mr C's policy documents to Mr C's customer portal, on 16 December 2024, which was available to him to access online. I appreciate too that page two of AFI's covering letter clearly stated:

*'How to complete your agreed value*

*Thank you for buying the Agreed Value benefit. Once you have registered at MyAdrianFlux, the quickest and most convenient way to submit your photos and complete the Agreed Value Request Form is by using your online account. Alternatively, you can send the Agreed Value Request Form and the seven photos by post. Be mindful that until we receive everything and confirm that we have agreed the value, there is no...Agreed Value Insurance cover in place.'*

*By Mr C's own account, he didn't access those documents until after his camper van had been damaged. I do think the sales agents informed Mr C where the policy documents would be and that he should read them. So I've considered this point carefully.*

*In the circumstances, I think it would have been reasonable for Mr C to check the policy documents – not least so he could check he had the cover he wanted. But in the particular circumstances of this case, even though I don't think Mr C did all he perhaps should have done to ensure he was fully covered, I don't think this makes a difference to how I think AFI should put things right.*

*I say that because, as I've set out above - at renewal in December 2024 -the call agent clearly told Mr C that he held Agreed Value cover which would pay out. They didn't inform him this wasn't active or that he'd need to do anything more. Instead, I think that based on the information Mr C was given during the call, it was reasonable for him to have concluded that he had Agreed Value cover in place which would protect him in the event of a total loss. So I don't think he ought reasonably to have been put on notice that the policy wasn't in place or that he needed to check the paperwork to see if he needed to take action.*

*What must AFI do to put things right?*

*Taking everything into account, I think that if AFI had clearly highlighted the need to activate Agreed Value cover – particularly at renewal in December 2024 – Mr C would most likely have sent it and T the relevant information so that an Agreed Value could have been confirmed. T's liability would have likely engaged following A's settlement of the claim at market value. As I've said, I think AFI's failings have led to Mr C suffering an avoidable, foreseeable financial loss.*

*Given the damage to the camper van, it is now impossible for Mr C to provide the photos T is likely to have required to confirm benefit. Indeed, he's provided the pre-loss photos he has, which it seems, with hindsight, weren't sufficient for T's purposes. So I can't say with any certainty that T would have confirmed an Agreed Value of £20,000 and that therefore, Mr C's loss is the difference between £20,000 and the market value payout he received. This means I need to come to an imperfect solution, but one I think is fair, reasonable and proportionate.*

*I currently think that fair redress should have calculated as follows:*

*AFI has indicated that T may have offered an Agreed Value of between £14,000 and £15,000 based on Mr C's pre-loss photos. So I think a fair proxy for the likely Agreed Value is £14,500. Therefore, I plan to direct AFI to:*

- Pay Mr C the difference between the £14,500 (acting as a proxy for the Agreed Value benefit) and the market value he received for the camper van;*
- Deduct the value of the premium refunds it's already paid Mr C unless the cheques haven't been cashed; and*
- Add interest to the settlement at an annual rate of 8% simple from one month after Mr C initially made the claim until the date of settlement.*

*AFI should also set out in writing to Mr C how settlement has been calculated.'*

*I asked both parties to send me any further evidence they wanted me to consider.*

*Mr C accepted my provisional findings. But he was concerned that he'd provided more photos than he'd needed to and he also raised concerns about the way the van's contents claim had been dealt with.*

AFI didn't accept my provisional decision. In summary, it said T had provided an estimated Agreed Value because I'd asked it to. It didn't think it was fair to use that figure against it. AFI also asked what I would have done had T refused to provide an estimate. It said it felt it was unfair that all of the responsibility had been placed on its telephone calls, rather than Mr C's failure to read his paperwork – and that, in fact, Mr C was benefitting from not reading the terms and conditions. It also provided evidence that it had emailed Mr C's renewal documentation to him, as well as placing it on his online portal.

### **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.

Having done so, my final decision is the same as my provisional decision and for the much the same reasons.

I acknowledged in my provisional decision that I think it would have been reasonable for Mr C to have read the renewal paperwork AFI sent him ahead of renewal. I accept too that this paperwork was sent to Mr C by both the online portal and email. I've reconsidered then whether I think this negates any failings on AFI's part at the time of the sales and renewal calls.

In the round though, I remain persuaded that given the significance of the term, AFI should have clearly highlighted to Mr C the need to activate the AFI cover both at the time of sale and at the time of renewal. It's still the case that I don't find it did so. And as the expert in the situation, I think AFI should have given Mr C enough clear information during both calls to ensure that he could activate and benefit from the cover he paid for.

For that reason, I still think it's fair and reasonable for me to conclude that had AFI done what it ought to have done, Mr C is most likely to have provided T and AFI with the Agreed Value paperwork and ensured he had the cover in place. And therefore, I remain satisfied that T's liability is likely to have been engaged following A's settlement of the claim for the camper van at market value. As such, I'm persuaded Mr C has lost out as a result of AFI's failings here.

I explained why it's impossible for me to say with certainty what Agreed Value T would have offered Mr C. Therefore, it remains difficult for me to reach a perfect solution. T has provided an estimated Agreed Value, based on the photos Mr C could provide and in the circumstances, I think it's reasonable for me to rely on the insurer's figure as a proxy settlement amount. I have considered AFI's comments, but given T was able to provide an estimate, I don't think I need to make a finding as to how I would have calculated redress had it refused to do so.

Turning to Mr C's comments, it doesn't seem to me that any concerns about how the van's contents claim was handled would be for AFI to deal with. The Agreed Value policy was intended to pay out in the event of a total loss of the van. It doesn't appear to offer contents cover. So I don't think T's likely to have considered a contents claim, even if AFI had done all it should have. And even though Mr C has provided T and AFI with more photos than he needed to, I don't think this has prejudiced his position in any way because it's helped T calculate an estimated Agreed Value.

### **Putting things right**

Adrian Flux Insurance Services Group must calculate fair redress as follows:

AFI has indicated that T may have offered an Agreed Value of between £14,000 and £15,000 based on Mr C's pre-loss photos. So I think a fair proxy for the likely Agreed Value is £14,500. Therefore, I direct AFI to:

- Pay Mr C the difference between the £14,500 (acting as a proxy for the Agreed Value benefit) and the market value he received for the camper van;
- Deduct the value of the premium refunds it's already paid Mr C unless the cheques haven't been cashed; and
- Add interest to the settlement at an annual rate of 8% simple from one month after Mr C initially made the claim until the date of settlement\*.

AFI must also set out in writing to Mr C how settlement has been calculated.

\* If AFI 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

### **My final decision**

For the reasons I've given and in my provisional decision, my final decision is that I uphold this complaint and direct Adrian Flux Insurance Services Group to put things right as I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 February 2026.

Lisa Barham  
**Ombudsman**