

The complaint

Mr J and Miss R have complained about Liverpool Victoria Insurance Company Limited (LV). They are not happy about the valuation of their car after it was deemed a total loss following a claim under their motor insurance policy.

What happened

Mr J and Miss R made a claim under their motor insurance policy after a difficult road traffic accident in which a tree fell and crushed their car. When LV looked to settle the claim Mr J and Miss R were not happy with the valuation of the car, so they complained to LV.

LV looked to value Mr J and Miss R's car after it was written off by looking at a number of the various motor valuation guides in order to gauge the market value of their car. Having done so it eventually offered around £33,200 as a market value of their car based on the guide valuations and its own market research. As Mr J and Miss R remained of the view that they hadn't been paid a fair market value and they had incurred other costs (such as having to pay their excess and the fact they couldn't use the remainder of their wheel and tyre insurance policy) they complained to this Service.

Our Investigator looked into things for Mr J and Miss R, but he didn't uphold their complaint. Although he sympathised with the position they found themselves in after a terrible accident he didn't think LV had done anything wrong here in offering around £33,200 as a market value of their car. He looked at the adverts and evidence provided by both sides but thought LV's offer was fair. And he explained that their excess was always due under the policy and as the wheel and tyre insurance policy had been partially refunded, he didn't think LV had acted unreasonably.

As Mr J and Miss R didn't agree the matter has been passed to me for review.

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, and despite my natural sympathy for the position Mr J and Miss R found themselves in after their vehicle was struck by a tree, I'm not upholding this complaint. I'll explain why.

This Service has an approach to valuation cases like Mr J's and Miss R's which 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.

It isn't the role of this Service to come to an exact valuation of a consumer's car. But we do look to see if insurers have acted reasonably in looking to offer a fair market value of the car in line with the policy terms and conditions. I pay particular attention to the various motor valuation guides used for valuing cars. And I look at any other evidence provided by both sides, such as advertisements or details about the condition of the car.

Valuing second-hand cars is far from an exact science and it isn't my role to value Mr J and Miss R's car. I'm just looking to see if LV has acted reasonably in providing a fair market value of his car from around the date of loss and, overall, I think it has.

Ultimately, the policy requires LV to compensate Mr J (the policy holder) and Miss R for the market value of their car from around the time of loss. The policy defines market value as *"The cost of replacing your car at the time of the loss or damage, taking into account its make, model, specification, age, mileage and condition. This will not exceed the estimate of value that you last gave to us."*

In assessing what constitutes a fair value we generally expect insurers to review relevant guides to motor valuations – which is also our starting point for most valuation complaints. And I've looked at the available guides to assess whether LV's offer is fair and reasonable. Our Investigator reviewed the motor valuation guides as well which have produced values of £30,195, £38,490, £33,195 and £29,940 respectively. And having looked at these and the valuations produced by LV I think its offer of £33,200 feels fair. I say this as three of the valuation guides are less than LV offered and, importantly, it has provided five adverts from around the time that evidence that a similar car can be bought for the amount it has offered.

I know Mr J and Miss R feel their car is worth more, but I haven't seen sufficient evidence of this. Mr J and Miss R feel that their car has additional features that increase its value, but I'm satisfied that these have been taken account of. And although a lot of additional features can cost a lot more when a car is brand new the impact in the second-hand market can be limited. I note that Mr J and Miss R feel their car is worth more because they paid for a service, but maintenance is factored into the valuations. And I'm sure it would be helpful when looking to sell a car, but it wouldn't necessarily add value, and it was a cost that was always due in looking to maintain their car.

I've also reviewed the adverts that Mr J and Miss R feel support their position that their car is worth more. And although I agree that they are advertised at a higher value than LV has offered one of their adverts shows a similar car just above the £33,200 LV offered so seems to support its general position. Plus, advertisements are always open to negotiation so I can't be sure what these actually sold for.

Furthermore, LV has provided strong evidence that a similar car can be bought for around the market value it offered which I find persuasive – it has clearly shown that Mr J and Miss R could buy a replacement vehicle for around the amount it has offered. So, it is difficult to say LV has acted unfairly here as it has looked at the available valuation guides alongside the adverts it found. I know Mr J and Miss R feel their car was worth more but a lot of the additional points they have raised don't affect the value here and I'm satisfied that they have been taken into account. And LV are not looking to replace their car 'like for like' just offering a reasonable market value from around the time of loss even if the market has moved up or down after the event.

I know my decision will come as a disappointment to Mr J and Miss R whose car has been involved in an accident. However, in looking to see if LV offered a fair market value for their car, I think it has for the reasons outlined above. Ultimately, Mr J and Miss R believe the market value of their car is more than LV offered but I don't think there is sufficient evidence to support this.

Finally, I know Mr J and Miss R are not happy that they couldn't use the remainder of their wheel and tyre insurance policy or the remainder of their insurance policy and they had to pay an excess. But there had been a claim on both policies which meant they had been used and so the full premium was due. I note that Mr J and Miss R didn't place another car on cover, but they had the option to do so if they wished and I wouldn't expect an insurer to leave a policy open indefinitely and LV seemed to have offered a reasonable period of time here. And, as the policy outlines, their excess payment would always be due following a claim under the policy.

My final decision

It follows, for the reasons given above, that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J and Miss R to accept or reject my decision before 13 February 2026.

Colin Keegan
Ombudsman