

## The complaint

Mr B is unhappy with the offer made by his commercial vehicle insurer, Aviva Insurance Limited, after his vehicle was stolen whilst it was at its agent's premises for repairs.

## What happened

Mr B's vehicle was involved in a non-fault accident and so he made a claim on his Aviva policy. In February 2025, the vehicle was taken to one of Aviva's approved repairers for assessment, but whilst it was at their premises the vehicle was stolen and never recovered.

Mr B made a claim under his commercial vehicle policy and Aviva decided to write the van off and make Mr B a £7,500 total loss offer for the pre-accident value of the vehicle.

Mr B wasn't happy with Aviva's offer. He said it was too low and that he wasn't able to replace his vehicle with a similar one. He added that he wasn't able to carry on working to full capacity because he had to get a smaller vehicle but had no option but to accept Aviva's offer so he could carry on working. He said this also led to a reduction in his earnings.

Mr B complained to Aviva, but it didn't uphold his complaint and said that it wasn't able to increase its offer.

Unhappy with Aviva's response, Mr B brought his complaint to our service. Other than the valuation being too low, Mr B was also unhappy because Aviva didn't compensate him for the loss of equipment which was in the vehicle when it was stolen. The equipment included a water tank and a battery.

While the complaint was with our service, Aviva said it had asked Mr B for evidence of ownership of the lost equipment but Mr B hadn't provided any at that stage. Aviva said if he did, it would consider those additional losses. It added that it had been informed by Mr B's broker that he was VAT registered and, therefore, its settlement did not include VAT. It said if it was provided with confirmation that Mr B isn't VAT registered, it would pay him the additional £1,500.

One of our investigators reviewed the complaint and thought there was further action for Aviva to take. He considered that a fair and reasonable valuation was £9,912 plus VAT based on motor valuation guides. Our investigator also thought Aviva should consider compensating Mr B for the lost equipment once he provided receipts. In respect of the water tank, our investigator said Aviva should accept that it was in the vehicle at the time, even if Mr B wasn't able to provide proof of that or a purchase receipt.

Mr B accepted our investigator's view and said he had provided Aviva with the invoices it had requested. Aviva didn't agree with the valuation our investigator reached but said it would issue a £1,500 payment in respect of the unpaid VAT. It said in relation to the equipment Mr B was claiming for, it was waiting for Mr B to tell it what the equipment was and its value at the time of purchase so it could make adjustments for age.

Mr B provided receipts for a hose, a panel board and a battery. In relation to the tank he said he had bought it second-hand for £600 and had no receipt.

Our investigator didn't change his view. He said that Aviva should consider the three items Mr B had provided receipts for and make an offer for the water tank. If Mr B wasn't happy with Aviva's offers, our investigator said, he could escalate the matter to it and then to our service.

As there was no resolution, the matter was passed to me to decide.

### **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.

#### The valuation

Like most motor insurance policies, Mr B's provides cover in the event there is loss of or damage to his van. The policy states that the most Aviva will pay is the market value of the vehicle immediately prior to the loss. The policy defines "market value" as:

"The cost of replacing your vehicle with a vehicle of the same make, model, specification, and condition."

Our service has an approach to valuation cases like Mr B's that has evolved in recent times. When looking at the valuation placed on a van by an insurance company, I consider the approach it has adopted and decide whether the valuation is fair in all the circumstances.

Our service doesn't value vans. 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 tend to use relevant valuation guides. I usually find these persuasive as they're based on nationwide sales prices.

Our investigator consulted three guides which produced values of £5,341, £9,912 and £6,625. None of the valuations included VAT.

Aviva valued Mr B's van at £7,500. It originally excluded VAT because it said that Mr B's broker said he was VAT registered and could therefore claim the VAT back if added. But Mr B has since confirmed he is not VAT registered and Aviva agreed to include VAT in its settlement. I think this is fair and reasonable.

Aviva has also provided three adverts in support of its valuation. One, for £7,995, was for a van which had more mileage than Mr B's and was newer by one year, so I didn't find it very persuasive. The other two were for vans with similar mileage but one was newer than Mr B's

by one year and was advertised for £8,500. The other was for a van which was the same age as Mr B's and was advertised for £7,200. None of the adverts included VAT.

Though adverts can sometimes assist when considering whether an insurer's valuation is fair and reasonable, they aren't always a reliable indication of what a van is actually worth. And of the adverts that were provided, the prices were varied and didn't, in my view, point to a clear or consistent market value. In these circumstances, I don't find the adverts as persuasive as the valuation guides. So I'm not persuaded by the £7,200 advert which Aviva seems to have mainly relied on that Mr B would have been able to replace his van for £7,500.

Looking at the valuations produced by the guides I'm not persuaded that Aviva's offer of £7,500 is fair. Given that there isn't any other evidence that is as persuasive as the guides to persuade me that a valuation in line with the higher valuation produced is inappropriate and to avoid any detriment to Mr B, the highest valuation produced by the guides is my starting point. And considering the overall variation of the values produced I consider that £9,912 is a fair valuation.

#### Lost equipment

Aviva has agreed that there is cover for the equipment Mr B said was in the van at the time of the theft. It said it wanted to see purchase receipts so it would know what the equipment was and what it cost at the time so it could make the necessary adjustments for age.

Mr B has now provided receipts for the hose (£52.50), the battery (£78) and a panel board (£227.95) and so I think it is fair and reasonable for Aviva to now consider these and look to make Mr B a reasonable offer for their replacement.

In terms of the water tank, Mr B said he purchased it second-hand, four years prior to the incident at a cost of £600. He has provided a photograph of the type of water tank that he had in the van. Aviva asked for an invoice in order to cover this cost which Mr B hasn't been able to provide. In the specific circumstances, on balance, I think Aviva should consider the claim for the water tank and I say this bearing in mind that Mr B will have very likely had to use a water tank to carry out his work so I think it is very likely there was one in the van when it was stolen. And as Mr B says he bought it second-hand, I don't think it's unusual that he doesn't have a receipt for it.

If Mr B is unhappy with Aviva's offers for the lost equipment he may raise a further complaint.

For completeness, I should add that, as our investigator explained, Mr B didn't raise a loss-of-earnings claim when he complained to Aviva. As Aviva hasn't had the opportunity to consider this, it isn't something I can look at in this decision. If Mr B wishes Aviva to consider a loss-of-earnings claim, he may raise a new complaint with it.

#### **My final decision**

For the reasons above I have decided to uphold this complaint. Aviva Insurance Limited must settle Mr B's claim based on a valuation of £9,912 plus VAT. It may deduct any

payments already made to Mr B from the settlement it pays him. The settlement is also subject to policy deductions including the excess if not already deducted. It must also pay Mr B 8% interest per year simple on the amount it pays him from the date of its original settlement to the date it pays him.

Aviva Insurance Limited must now consider Mr B's additional claims for the equipment which was in the van at the time of the loss, including the water tank, in line with the policy terms, bearing in mind it has confirmed that there is cover for this equipment. If Mr B is unhappy with its offers he may raise a further complaint.

If Aviva Insurance Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr B how much it's taken off. It should also give Mr B a tax deduction certificate if he asks for one so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 31 March 2026.

Anastasia Serdari  
**Ombudsman**