

## **The complaint**

Mr C and Mrs C complain Acromas Insurance Company Limited (Acromas) unfairly settled a claim on Mrs C's motor insurance policy after her car was damaged in an incident.

Mrs C is the policy holder and Mr C is a named driver on the policy. Reference to Mrs C or Mr C will include the other.

Acromas are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As Acromas have accepted it is accountable for the actions of the intermediary, in my decision, any reference to Acromas includes the actions of the intermediary.

## **What happened**

Mrs C made a claim on her motor insurance policy after her car was damaged in an incident and was deemed beyond economic repair.

Acromas made a market value settlement offer of £2,893.33 less the policy excess. As Mr C wanted to retain the salvage of the car, a salvage amount was also deducted.

Mr C was not happy with the settlement; he felt the car was worth more than Acromas's settlement offer. After looking into the valuation offered Acromas didn't increase its offer.

Because Mr C was not happy with Acromas, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said Acromas should increase its settlement offer to £4,250 less any policy excess and cost to retain the salvage. They said 8% simple interest should also be added to the difference from the date the initial settlement amount was made to the date of final settlement.

As Acromas is unhappy with our investigator's view the complaint has been brought 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.

In this case I have considered whether Acromas acted fairly and reasonably in reaching its decision as to the level of settlement offered following Mrs C's car being deemed beyond economical repair.

My role is not to provide an exact valuation but to make a judgment as to whether the offer of settlement is fair.

The details within Mrs C's motor insurance policy says;

*“Market Value – The cost of replacing your vehicle with a vehicle of the same make, model, specification, age, mileage and condition as your vehicle was immediately before the loss or damage you are claiming for.*

*Where we are unable to estimate the market value of your vehicle we will use the nearest market equivalent for comparison.”*

Although this service doesn't value vehicles, we do check that the insurer's valuation is fair and reasonable and in line with the terms and conditions of the policy. We use valuation guides to do this, and they're based on nationwide research of likely selling prices and take the car's specifications, mileage etc into account.

This service doesn't consider the question of market value to be an exact science, however our general approach is that the valuations given in the main motor valuation guides provide the most persuasive and consistent evidence. These guides are based on extensive nationwide research of likely (but not actual) selling prices.

I saw Mr C thinks the valuation paid to him by Acromas should be higher because of the specification, rarity and provenance of the car. He said the car was in excellent condition and had a detailed service history. He also said the car had a number of optional extras, which were included in the car specification from new, so he felt it was worth more than Acromas's settlement offer.

I looked at the information Acromas used when calculating the market value for the car. I saw it obtained valuations from three of the main valuation guides. The highest of these valuations was £1,365 and the highest was £3,812. In this case Acromas offered £2893.33 which is the average of these guides.

I looked at the valuations our investigator obtained. They used the same valuation guides. The highest of these valuations was £4,250 and the lowest was £1,365. Two of the valuations were the same as those obtained by Acromas and one was higher. The higher valuation included a separate valuation of £400 for the additional extras to Mrs C's car at the date of loss. This was only added to one of the valuations because different valuation guides carry out calculations in different ways, and it didn't make any difference to two of the three valuations. I didn't see evidence that the valuations obtained by Acromas included any additional extras.

Mr C provided evidence of similar cars for sale at a much higher price. I looked at these and am not persuaded they were similar as there were differences in body type, engine size, specification and mileage. Mr C also asked for consideration to be made for alternative classic car valuations and said his car was rare. However, the car was not insured as a classic vehicle and due to the number of similar cars available I don't think it is a rare car.

Acromas also provided adverts of the same make and similar model of car for sale. All of the adverts were for a slightly higher amount than its market valuation. There were also differences in the specifications etc, therefore I don't think the adverts can be relied upon to be an accurate reflection of Mrs C's car.

After our investigator issued their view, Acromas said based on there being no market research that could be used, it was prepared to offer an average of the two highest guides it had obtained, reflecting an increase to £3,657.50.

After considering all the valuations and adverts available I don't think the settlement amount paid, or its increased offer is fair in this case. We expect insurers to pay the highest of the valuation guides to ensure the consumer has received a fair offer, allowing them to replace their car with one of a similar make, model and specification, unless they are able to provide

us with evidence which supports an lower valuation. In this case Acromas's valuation isn't close to the highest valuation, and it has not provided evidence that supports the average valuation provided. I require Acromas to increase its total loss settlement to that of the highest valuation.

Therefore, I uphold Mr C's complaint.

### **Putting things right**

I require Acromas to increase its settlement offer to the highest valuation of £4,250 less the policy excess and salvage cost. This is an increase of £1,356.67. It should also add 8% simple interest from the date the initial settlement amount was paid to the date of final settlement.

### **My final decision**

For the reasons I have given I uphold this complaint.

I require Acromas Insurance Company Limited to increase the settlement offer for Mrs C's car to £4,250, less the policy excess and salvage cost. This means an increase of £1,356.67 should be paid. It should also pay 8% simple interest on this amount from the date the initial settlement was paid to the date of final settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 5 May 2026.

Sally-Ann Harding  
**Ombudsman**