

## **The complaint**

Mrs M's representative complains on her behalf that esure Insurance Limited trading as Sheilas' Wheels (esure) unfairly settled her claim on her motor insurance policy after her car was declared a total loss.

Reference to Mrs M, or her representative, includes the other.

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

## **What happened**

Mrs M made a claim on her motor insurance policy after her car was damaged in an incident.

esure's engineer inspected the car, and it was declared a total loss. esure made Mrs M a settlement offer of £3,025 less the policy excess.

Mrs M's representative was not happy with the settlement amount. He felt the valuation hadn't take into account several valuable factory upgrades, and that similar cars were for sale for higher than the valuation offered.

Because Mrs M was not happy with esure, she brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said taking into account the trade guides, the adverts provided by Mrs M's representative and their own research, they felt a fairer value would be £3,500 and would allow Mrs M to buy a reasonable replacement. They said 8% simple interest should also be added from the date the initial settlement amount was paid to the date of final settlement. And pay £150 compensation for her experience.

As both Mrs M and esure are 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 esure acted fairly and reasonably in reaching its decision as to the level of settlement offered to Mrs M following the write-off of her car.

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

I firstly looked at the details within Mrs M's motor insurance policy with esure. In the terms and conditions of the policy. It says;

*“Market value: 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.”*

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.

Prices of used cars can change on a regular basis. This could be an increase or decrease. This is the reason why we take the approach that if esure can demonstrate, that it used a fair process to value the car then we wouldn’t interfere with the offer it has made.

I looked at the information esure used when calculating the market value for Mrs M’s car. I saw it obtained valuations from three of the main valuation guides. In this case esure valued her car at £3,025 which was slightly below the highest valuation of £3,064. I saw when Mrs L contested this valuation, esure responded and referenced its market value was £3,065, however Mrs M confirms it actually paid her £3,025 which was the original offer. So there is some confusion here as to what the valuation was.

I looked at the valuations our investigator obtained. They also used three of the main valuation guides. The highest of these four valuations was £3,137 and the lowest was £2,975.

Mrs M’s representative felt the valuation should be higher because her car had additional extras on it which included an upgraded radio and navigation pack, park assist and a factory fitted retractable towbar. He said these extras meant the car had been built to a better model than it was officially registered as. And he said the car was in excellent condition and was well maintained throughout.

I also saw Mrs M’s representative had undertaken research on similar cars advertised for sale at a higher price than esure’s settlement offer and provided copies of these. The majority of the adverts were not comparable due to large differences in mileage, age and model of car.

Our investigator carried out their own research and found similar cars advertised for sale. I saw all the adverts were for more than the highest valuation – however, again the mileage varied by a considerable amount. They felt taking into account the trade guides, the adverts provided by Mrs M’s representative and their own research, a fairer value would be £3,500.

esure didn’t accept our investigators view to increase the settlement offer, it said applying a value above the highest guide was unfair. It then provided two adverts for similar cars for sale at less than its settlement offer.

Based on all the evidence I’ve seen, I don’t think the total loss valuation paid for Mrs M’s car is fair in this case. Mrs M’s car was an enhanced model and I haven’t seen evidence of any cars with this specification on the market. Therefore, in this case I am persuaded the market

value of this car should be increased. I think £3,500 is fair and will enable Mrs M to replace her car with one of the same make and model.

Therefore, I uphold Mrs M's complaint.

### **Putting things right**

I require esure to increase its settlement offer to £3,500. It should also add 8% simple interest from the date the initial settlement amount was paid to the date of final settlement. And pay £150 compensation for any confusion and inconvenience caused.

### **My final decision**

For the reasons I have given I uphold this complaint.

I require esure Insurance (Gibraltar) Limited to;

- Increase the settlement offer to £3,500. Based on the initial valuation of £3,025 (less the policy excess) that has already been made to her, this means an amount of £475 should be paid.
- Pay 8% simple interest on this amount from the date the initial settlement was paid to the date of final settlement.
- Pay £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 19 March 2026.

Sally-Ann Harding  
**Ombudsman**