

The complaint

Mr and Mrs O have complained esure Insurance Limited didn't pay a fair settlement for their vehicle under their motor insurance policy after his vehicle was stolen.

Mr O is represented by Mrs O, but for ease of reading, I've referred to both as Mr O below.

What happened

Mr O's vehicle was stolen in January 2025 and he made a claim on his motor insurance policy. esure accepted the claim. They considered £11,749 was a fair market value for his vehicle so paid him a settlement of that amount. Mr O thought the vehicle was worth more and complained to esure about the valuation.

esure maintained they fairly valued Mr O's vehicle based on a mix of motor trade guides and adverts they found from around the time his vehicle was stolen. Mr O still didn't think he was paid a fair amount for his vehicle and referred complaints to this Service about esure and his GAP insurer. His GAP insurer ultimately paid Mr O £15,134 less his relevant excess and fees, which they thought was the difference between what the market value of the vehicle and what he paid for it (£27,712).

An Investigator upheld Mr O's complaint as she considered £13,078 was a fair market value, so asked esure to pay the difference between that and the £11,749 settled the claim for. esure disagreed as they felt they had evidence which showed Mr O could have purchased a replacement vehicle for their settlement value. The complaint couldn't be resolved so it has come 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.

As ours is an informal service, I'm not going to comment on every point or piece of evidence Mr O or esure have provided. Instead, I've focused on what I consider to be key or central to the complaint points. But I'd like to reassure both that I have considered everything submitted.

This Service doesn't value cars. Instead, we check to see that an 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. We generally find these persuasive as they're based on nationwide research of sales prices. We also consider other evidence that the parties submit (like the adverts esure submitted) to determine whether an insurer came to a fair outcome.

Mr O's policy includes cover in the event his car is stolen. It says the most esure will pay is the market value of his vehicle. And the policy defines market value as the the amount Mr O could reasonably have expected to sell his car for on the open market immediately before his loss. It says esure's 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 loss.

esure need to effectively show their valuation is enough to allow Mr O to purchase a replacement car. That doesn't necessarily mean they need to offer the highest valuation available. But if their valuation isn't close to the highest valuation returned from the guides we look at, they would need to evidence this is fair.

When esure reviewed the value of Mr O's vehicle, they looked at three motor guides which produced values of £13,030, £12,236, and £13,078 respectively. This Service ran another guide which produced a value of £12,350. I'm satisfied it was reasonable for esure to rely on the information in the guides they obtained and that £13,078 is clearly the highest valuation among the three guides they ran and the one this Service ran.

esure thought a fair market value was lower than even the lowest guide as they settled the claim for £11,749. For me to be persuaded that a lower valuation than what was produced by the highest of the trade guides is a fair reflection of the market value, I'd need to be satisfied that the evidence provided by esure supported their position. I've carefully considered the adverts esure provided from around the time of loss which they think back up their settlement value.

Mr O's vehicle was registered in 2022 and Mr O and esure agreed over the phone there were 20,000 miles on the odometer when the vehicle was stolen. esure's adverts were all of vehicles of the same make and model and from the same year as Mr O's vehicle. These are some other relevant details from the respective adverts:

- Mileage of 22,580 miles selling for £11,700.
- Mileage of 23402 miles selling for £11,648
- Mileage of 22,580 miles selling for £11,700
- Mileage of 22,882 miles selling for £11,899
- Mileage of 20,225 miles selling for £11,995

The mileage on all five of these vehicles is higher than the mileage Mr O's vehicle had at the time it was stolen. One vehicle had over 2,880 more miles but was selling for over £100 more than esure's valuation. Three of the vehicles were selling for slightly under esure's valuation, but the mileage on all three was significantly higher than Mr O's vehicle. And the vehicle with the closest mileage to Mr O's vehicle (albeit likely still more than 200 miles more) was still selling for £246 more than esure's valuation. But even if I accepted this last vehicle was selling for close to their valuation, I'm not persuaded by this one advert in the circumstances and I'm more persuaded by the values in the guides which consider more of the market. Ultimately, esure's adverts don't persuade me Mr O could have purchased an equivalent replacement vehicle for the amount they settled the claim at, so I don't think the settlement amount was a fair market value.

Because esure haven't demonstrated to me that Mr O could replace his vehicle with a valuation in line with the amount they valued the vehicle at, to avoid any detriment to Mr O, I think the highest valuation produced by the guides is a fair market value. And I'm directing esure to pay Mr O the difference between what they settled the claim for and what I think is a fair market value – which is £1,329.

My final decision

For the reasons above, I uphold this complaint and direct esure Insurance Limited to:

- Pay Mr O £1,329.
- Pay Mr O 8% on this amount from the date esure settled the claim previously until they pay this amount.*

* If esure thinks that they're required by HM Revenue & Customs to deduct income tax from that interest, they should tell Mr O how much they've taken off. They should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 1 April 2026.

Andrew Wakatsuki-Robinson
Ombudsman