

## **complaint**

Mr S has complained that Aviva Insurance Limited's valuation of his car was too low after he made a claim on his motor insurance policy.

## **background**

Mr S made a claim on his motor policy and his car was declared a total loss. Mr S says Aviva only offered him £6,000.00 for his car which was too low considering its model, condition and rarity. He also said Aviva's engineers had exaggerated the amount of corrosion and other damage to his car.

Our investigator agreed that comparatively few vehicles of the same model and age were still on the road on the UK. He thought this meant that it was difficult to obtain an accurate valuation from the trade guides that were normally used both by insurers and the Financial Ombudsman Service as a benchmark.

The investigator could see Mr S had provided an example of a car of the same model that was advertised for nearly £10,000.00 but he didn't think this meant Mr S' car was worth more than the £6,000.00 offered by Aviva. The investigator thought that there was no evidence that the car in Mr S' example had sold for close to the asking price. And the investigator noted that Mr S' car had done 190,000 miles which was considerably more than the car in his example. He also thought that the other car was advertised as being in excellent condition whereas the engineer's report for Mr S' car showed significant signs of corrosion.

The investigator could see that based just on the trade guides alone Aviva would only have offered Mr S around £1,500.00 for his car. And he thought Aviva had shown that it had taken into account the relative rarity of Mr S' car and other factors such as its conversion to LPG in its valuation. Overall the investigator thought that Aviva's valuation was fair.

In response, Mr S disagreed and said that Aviva's engineers had exaggerated the amount of corrosion damage to his car. He also said they'd verbally told him they would value the car closer to £8,000.00. Mr S said Aviva had failed to explain its reasoning for its valuation.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

When looking at complaints about car valuation I don't try to precisely calculate what a vehicle is worth. Instead I look at whether the insurer has made a fair and reasonable offer for the car's value after taking into account relevant factors about its model and the car market.

I think Aviva has shown that if it had only considered the motor trade guide prices it would have offered Mr S around £1,500.00 for his car. I can see Aviva actually offered Mr S £6,000 and says it did so after considering the engineers' report which looked at the car's rarity, LPG conversion and market prices.

The engineers' report details considerable corrosion affecting Mr S' car and it has done 190,000,000 miles. So I don't think Mr S' car would have been worth nearly as much as the car in the example he provided. That particular car, which was advertised for £10,000.00,

was promoted as being in excellent condition and had a significantly lower mileage. I also think that vehicles don't normally sell for as much as the price at which they are advertised.

I appreciate Mr S sent in photos which he says showed his car was in very good condition. But, as the investigator has explained to Mr S, his photos are not clear enough to show there was no corrosion affecting his car. I understand Mr S' point that the engineers were contracted by Aviva and therefore not independent. But I think the report and photos provided by Aviva show corrosion and other damage to his car's bodywork. And I don't think I have enough evidence that the engineer's report was inaccurate about his car's condition.

The investigator's research into a fair value for Mr S' car found a review by a car selling website that suggested values for the same model of between £4,300.00 and £8,425.00. Mr S' car was of the previous registration to the highest price models and not in excellent condition. So I don't think his car would have been likely to have sold for more than the £6,000.00 offered by Aviva.

I'm sorry to disappoint Mr S but I think Aviva's valuation of his car was reasonable and I don't think I can ask it to do any more to settle his complaint.

### **my final decision**

For the reasons explained above, my decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to Mr S to accept or reject my decision before 12 February 2018.

Sarah Brooks  
**ombudsman**