

## **complaint**

Miss B complains about the valuation esure Insurance Limited placed on her car under her motor insurance policy. She wants it to increase its settlement offer.

## **background**

Miss B's car was damaged in a road traffic accident and esure deemed it to be beyond economical repair. It offered Miss B £975 for her car's value, less £496 for pre-accident damage. When Miss B complained, it increased its offer to £559 but Miss B remained unhappy. She thought esure should offer more and deduct less.

Our investigator recommended that the complaint should be upheld. He thought esure's deduction for pre-accident damage shouldn't include minor scratches to the bumper and wing mirror due to the age of the car. He thought these should be discounted and its offer recalculated.

Miss B replied that she thought her car was worth more than esure's offer. esure replied that it would discount the minor damage as a gesture of goodwill. It then made a lower valuation for Miss B's car than originally offered but deducted less. This meant its offer didn't increase.

## **my findings**

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

I can understand that Miss B wants the best possible offer for her car. I can understand that she would be disappointed by esure's offer.

We don't provide valuations for cars but seek to assess whether the insurer's offer is reasonable. In assessing whether a reasonable offer has been made, we obtain valuations from motor-trade guides.

These are used for valuing second hand cars. We find these guides to be particularly persuasive, largely because their valuations are based on nationwide research and actual sales figures. The guides also take into account regional variations. We also take all other available evidence into account, for example, engineer's reports.

esure's valuation of Miss B's car's market value was based on valuations obtained from the three trade guides. These were Glass's £1,305, Parkers £848 and CAP £772. I've checked these and I can see that it obtained these valuations using the correct details and mileage for Miss B's car.

esure told Miss B it should discount Glass's valuation as it was out of line with the other two. But it said that its engineer had made his valuation based on an average of the three. This gave a valuation of £975.

esure later changed its mind about how its valuation should be reached. It discounted Glass's offer and gave an average of the two lower figures. But I can't see that it has explained why it decided to now do this and so ignore its own engineer's valuation. I don't think this is fair and reasonable. It has raised Miss B's expectation and not explained or justified changing its approach. And so I think it should maintain its first valuation of £975.

esure has now agreed to discount the minor damage to Miss B's car. This is even though it considered it to be more than wear and tear and it had already discounted other minor damage. I think this is fair and reasonable in the circumstances.

esure has recalculated the repair cost for pre-accident damage as £679.20. I can see that this is based on its engineer's estimates of the costs of repairs. And so it made a deduction of £339.60 from the valuation.

esure previously agreed to increase its valuation of Miss B's car by £100 to resolve her complaint. It hasn't said it's now disallowed this. So, by the same logic, I think its offer should still include this. This means that esure's offer for the market value of Miss B's car would be £735.40.

I can appreciate that Miss B will still be disappointed with this. But I think this is fair and reasonable as it's in keeping with our approach to similar situations.

### **my final decision**

My final decision is that I uphold this complaint. I require esure Insurance Limited to pay Miss B £735.40 for the market valuation of her car.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 29 January 2018.

Phillip Berechree  
**ombudsman**