

## **complaint**

Miss G complains that esure Insurance Limited didn't pay her enough for her car when she claimed on her motor insurance policy after it was stolen.

## **background**

Miss G paid £12,795 for her car in February 2016. After the theft in August 2016, esure offered her £10,345. It based the offer on the sales prices quoted in the national trade guides. Miss G couldn't believe the car had lost so much value in six months. She thought esure should take into account adverts offering similar cars for sale at higher prices.

Our adjudicator thought esure had acted reasonably in using the guide prices. She said we only rely on a car's purchase price as a starting point if it was bought very recently.

Miss B said the trade guide valuations quoted by the adjudicator and esure varied. She said she should be able to buy a like for like car with the sum esure provided and couldn't do so.

As there was no agreement, the complaint was passed to me for review.

## **my findings**

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

Miss G accepts there would have been a drop in the car's value since she bought it. She just doesn't think it should have been as much as £2,450. I agree that's a substantial reduction in value, but that doesn't mean it's wrong. I think esure acted reasonably in establishing what the car's market value was. Both esure and the adjudicator have explained the approach we take. We think using the trade guide valuations is generally the best way to find a car's market value, because they're based on actual sales prices. And as the registration number of Miss G's car was used, the guides took into account all the features that would add value.

If one of the trade guide prices is out of kilter with the others, we disregard it, as esure did her. That's the case if it's higher *or lower* than the other guide prices. I think it was reasonable for esure to offer Miss G a sum that was higher than both of the other guide prices. When the adjudicator checked the valuations, she found a notably different value was quoted by the trade guide that was discounted. But of the two guides that were relied on, there was a £30 difference. I don't think that's significant.

We generally find that advertised prices vary a good deal. Small differences between cars can make a real difference to what they sell for. Many extra features paid for up-front don't add value on re-sale. And advertised prices are inflated, to allow for negotiation. That's why we don't usually find them helpful. At one point esure referred to adverts. It thought Miss G may have seen some that led her to believe her car was worth more. The adverts didn't fully match Miss G's model of car, so that wasn't really helpful. But I think it would have been difficult for Miss G to provide adverts persuasive enough to show the trade guide valuations should be disregarded. That very rarely happens, for the reasons stated above.

Miss G bought the car six months before it was lost. Sometimes we take a car's purchase price as the starting point in valuing it. But that's only if it was bought very recently, which I think means within the last few weeks, not several months previously.

Miss G told esure she wasn't happy with its service. She wasn't specific about that, although it looks as though she expected more empathy, given she'd been traumatised by the theft. I think it would have been difficult for esure to assess and react to the impact of the theft on Miss G. It wouldn't have helped that Miss G found herself in a dispute about the value of her car, but I think that was unavoidable. I don't think esure did anything wrong in coming up with its valuation. And it seems to have offered Miss G a total loss payment quickly, as an interim sum. I don't think there's any evidence of a service issue here that I could address.

### **my final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 14 November 2016.

Susan Ewins  
**ombudsman**