

complaint

Mrs A complains about the valuation that esure Insurance Limited offered for her car under her motor insurance policy. She wants it to offer a fair market value.

background

Mrs A's car was stolen and esure offered her £11,284, less the policy excess, as its pre-loss market value. Mrs A was unhappy with this as she said she couldn't replace her car for this amount. She said she'd found a similar car for sale for £4,000 more.

Our investigator didn't recommend that the complaint should be upheld. She thought esure's offer was fair and reasonable as it had been made according to our approach and the policy terms and conditions.

Mrs A responded that esure's offer didn't take into account the car's desirable colour. She still thought esure should offer her £4,000 more in settlement of her claim.

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 appreciate that Mrs A wants a fair offer for the loss of her car. The investigator has explained this service's approach to car valuations in that 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.

Our investigator thought esure's offer was fair and reasonable. So I've checked how she came to this conclusion. I can see that, like esure, she looked for Mrs A's car's registration in the market trade guides. She found it in two of them and she took into account the date of the loss and the car's mileage at its last MOT. This approach also took into account such factors as the car's colour. The average of these two valuations was less than esure's offer which was the average of the two highest valuations it found in the guides.

Mrs A provided an advertisement for a similar car offered at a higher price. But we don't find advertisements particularly persuasive as these are essentially asking prices and aren't selling prices. It's for this reason that the trade guides are used as they provide evidence of actual retail selling prices.

For the reasons I've given above, I think esure's offer for the market value of Mrs A's car at the time of its loss was made correctly according to our approach. So I think it was fair and reasonable. So I can't ask it to increase its offer.

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 Mrs A to accept or reject my decision before 1 September 2018.

Phillip Berechree
ombudsman