

complaint

Mr M complains about how Ageas Insurance Limited handled a claim under a specialist motor insurance policy.

background

I issued a provisional decision explaining that I was minded to require Ageas to pay Mr M £19,500 for his car after it had been stolen.

The crux of the dispute is what constitutes a fair value: Ageas made offers with £19,500 being its highest whereas Mr M considered £26,000 a fairer reflection.

In response Ageas said it had nothing further to add. Mr M thought £22,500 was a fair settlement as 'middle ground'. And he disagreed with me about the vehicle being driveable saying the vehicle had been taxed and with a valid MOT at the time.

my findings

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

Having looked at everything again and taking Mr M's response into account I'm not persuaded to reach a different outcome.

The evidence Mr M previously sent about the vehicle having a MOT and being taxed doesn't persuade me his vehicle was driveable and mechanically sound. I accepted in my provisional decision the car had been resprayed and the bodywork restored. But I reflected on information that showed Mr M had told police the vehicle wasn't driveable.

The evidence Mr M relies on for the MOT is a snapshot from the government website on MOTs. But the website states "*This vehicle hasn't had its first MOT*" so I remain unpersuaded that the vehicle was as Mr M states.

For valid tax the evidence is in my determination equivocal and not persuasive. Mr M wants me to accept the fact the government website says "*tax due 1 September 2017*" as evidence of valid up to that date and covering the theft date in February 2017. As I understand things when taxing a car, a valid MOT is required. So, in the absence of a valid MOT, which I'm persuaded is the case, I don't accept Mr M's testimony that the car was as he states – driveable and legal to be used on a road.

I remain satisfied £19,500 fairly reflects the car's value.

my final decision

I require Ageas Insurance Limited to pay Mr M £19,500. As is usual where we make a money award interest should be added. So, Ageas must add simple interest at 8% per year from 16 May 2019¹ until the date payment is sent.

¹ Ageas' initial offer was made on 16 May 2019 and the investigation was lengthy and, in my view, necessary. There were delays on both sides but still there remained evidential gaps that Mr M could have provided information (not least persuasive evidence of tax and MOT to assist a fair valuing exercise).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 1 July 2021.

Sean Hamilton
ombudsman

provisional decision	
date of decision:	26 April 2021

complaint

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background

There's a detailed background of which the parties are aware. I won't rehearse it all here, but the main points are;

- *Mr M bought a relatively rare and old car as a restoration project.*
- *He apparently spent around two years restoring the car.*
- *He says it was almost complete and worth around £40,000.*
- *He arranged for the car to be moved from his workshop to a friend's residential garage.*
- *A few weeks later he found the garage security bolts dislodged and the car was missing.*
- *He reported the theft to police and shortly after made a claim.*
- *Ageas instructed a specialist investigator who corresponded and met with Mr M.*
- *The investigator thought Mr M had given inconsistent accounts.*
- *Ageas offered Mr M £5,000 which he rejected.*
- *Our investigator noted that Ageas hadn't sought the advice of an engineer to value the car.*
- *Ageas later offered £19,500 on the basis that it wasn't satisfied the car had been fully restored as Mr M had described.*
- *Mr M instructed his own engineer who concluded the car's value at £26,000.*
- *The investigator recommended this amount as the settlement, which Mr M was willing to accept, but Ageas didn't.*

my provisional findings

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

Mr M's policy covers the total loss of the car up to its 'market value' or the amount he declared in the policy schedule (£40,000), whichever is the least. So, if the market value is £50,000 the most he'd receive is £40,000, and if the market value is £10,000 then he'd receive that and not the amount he declared.

The policy doesn't appear to define 'market value' but we take it to mean the price which the consumer would have had to pay for a comparable vehicle across the various markets, immediately before the time of the damage or loss. Mr M's car was old and relatively rare so it's appropriate that it's valued by qualified engineers.

Ageas and Mr M's engineers differ in their assessment – Mr M's has given the higher value of £26,000. I'm not persuaded this value fairly reflects the market value and will explain why. The higher valuation assumes that Mr M's car appeared to have been restored to a reasonably good, but not concourse standard. It's clear the engineer carried out detailed research in reaching £26,000. The body of the report contains information the engineer considered from documents, photos and what Mr M said, including work done on the engine.

The photos of the car during restoration end at the point the car had been resprayed and indeed it was still 'masked up'. There are no photos of the 'finished' vehicle and so much relies on what Mr M says about the final condition. During Ageas' investigation I'm satisfied there were issues about Mr M's consistency and reliability. For example, it's initially recorded that Mr M said he transported the car to his friend's garage, and they were the only two people to know the car was stored there. But he later clarified this to say he'd asked someone else he'd met two or three times to take the car there. I find that an unusual inconsistency to make in the circumstances. There's also an issue about Mr M being abroad for a period, which he denied. But the investigator records an international dialling tone when calling Mr M, his friend saying he was abroad and social media posts from Mr M showing he was abroad. I'm satisfied this supports concern over the reliability of what Mr M says.

Taking these factors into account I'm not persuaded the condition of Mr M's car was as concluded by his engineer. I accept the bodywork had been restored and resprayed. But because of my concern about the reliability of what Mr M says, I'm not persuaded it has been shown, to the extent it's more likely than not, that the car was as complete as he has said. And I'm not persuaded there's enough evidence to show the car was mechanically sound and operational. I've considered the police report which notes Mr M had said the car wasn't driveable when it was stolen.

Having thought about this carefully I think the basis of the higher valuation is overstated on the objective evidence available. It's clear the engineer researched the value of a replacement and this ranged from £3,000 for a 'project' vehicle to around £40,000 for concourse standard. The photos of Mr M's car show it was in the process of restoration but, for reasons explained, I'm not persuaded it was ready to drive as a finished article or in a mechanically driveable state. Ageas' offer of £19,500 appears to me to strike a fair balance given the unfinished state of the car.

Ageas has a duty to handle claims promptly and fairly and I don't think it always met this duty. It didn't instruct an engineer to value the car until very late on, but I don't think that's delayed matters given Mr M hasn't been willing to accept that amount. It's also apparent that, perhaps through frustration, Mr M didn't provide information requested of him and Ageas had made it clear it needed this to complete the investigation. While the investigation was particularly long, I'm not satisfied that was all down to Ageas.

my provisional decision

I require Ageas Insurance Limited to pay Mr M £19,500.