

complaint

Mr B complains about the valuation that esure Insurance Limited placed on his car under his motor insurance policy after it was declared a total loss.

background

Mr B was in an accident in which his car was written off. esure offered him £11,200 for his car less the £100 policy excess. Mr B wasn't happy with this and esure increased the offer to £11,300. But Mr B wanted £13,000.

Our adjudicator didn't recommend that the complaint should be upheld. She checked the three motor trade guides, used for valuing second hand cars. esure had offered more than the top price indicated by the trade guides.

Mr B said he couldn't replace the car for this amount. He sent in adverts in support of this. However, the adverts showed cars that were different to his in terms of modifications and mileage. She also thought the trade guides were a more reliable source for determining the market value of the car.

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 Mr B wants the best possible offer for his car. I can see that he's provided adverts for similar cars to show that he can't buy a replacement for the valuation esure paid him.

The adjudicator has explained this service's approach to car valuations. We don't provide valuations for cars but check 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. This is 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 adjudicator thought esure's offer was fair and reasonable. I've reviewed how she arrived at this conclusion. I can see that she checked the motor-trade guides. She found that esure's offer was higher than the highest trade guide valuation for a car of the same make, model, mileage and condition as Mr B's.

I agree with the adjudicator that esure's offer was reasonable as it was made according to our approach. I think it's a fair and reasonable reflection of Mr B's car's market value immediately prior to the loss.

The adverts that Mr B provided are for cars which are newer or have modifications. 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.

Mr B also said that prices had increased of late. But we look at the car's market value immediately prior to the loss. Seasonal factors can affect demand for different models of cars.

Mr B also raised a concern about esure's level of service in transferring his cherished plate to another car. But I can't see that esure caused any delays in this. I can see from its file and letters that it thought Mr B had said he'd arrange this himself. I don't think esure made a mistake in this.

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 Mr B to accept or reject my decision before 4 February 2016.

Phillip Berechree
ombudsman