

The complaint

Mrs S has complained about Aviva Insurance Limited. She isn't happy about the valuation of her car after it decided to buy her car back after a claim under her motor insurance policy and the service it provided.

What happened

Mrs S made a claim under her motor insurance policy after it was stolen. Aviva looked to repair her car but as Mrs S didn't want her car back after it was stolen she wanted to be paid the market value of her car. Given this Aviva agreed to buy Mrs S' car back and pay her the equivalent of the market value of her car even though it wasn't a write off. But Mrs S wasn't happy about the market value it offered, about the delays in paying the claim and the service provided. So she complained to Aviva and then this Service about this.

When Aviva looked to value Mrs S' car it looked at a number of the various trade valuation guides in order to gauge the market value of her car. It offered Mrs S £40,000 for her car less the policy excess. But Mrs S wasn't happy about this as she thought her car was worth about £46,000 so she complained to this Service about this and about the way it dealt with her claim and the delay.

Our investigator looked into things for Mrs S, and although she thought Aviva had dealt with a lot of her complaint fairly, she thought it should pay an additional £100 compensation for a small delay. But she thought Aviva generally dealt with the claim in a reasonable way and offered a fair market value of Mrs S' car. She looked at the various motor trade valuation guides available for Mrs S' car from around the time of claim, but she was satisfied that Aviva's offer was in line with these, so she didn't think it had done anything wrong. Ultimately, she thought Aviva had offered a fair market value for Mrs S' car. And she thought Aviva's offer to make a payment for loss of use for the delay in paying the market value of Mrs S' car, in addition to the £100 compensation she suggested was fair.

Aviva accepted the investigators findings, but Mrs S didn't. She maintained that her car was worth a lot more than Aviva had offered and thought she should be paid thousands more in compensation.

What I've decided – and why

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

Having done so, and despite my natural sympathy for Mrs S, who simply feels her car is worth more than Aviva have paid her, I'm not upholding this complaint. I'll explain why.

This Service has an approach to valuation cases like Mrs S'. When looking at the valuation placed on a car by an insurance company I consider the approach they have adopted. And decide whether the valuation is fair in all the circumstances.

It isn't the role of this Service to come to an exact valuation of a consumer's car. But we do look to see if insurers have acted reasonably in looking to offer a fair market value of the car in line with the policy terms and conditions. I pay attention to the various trade valuation guides used for valuing cars. And I look at any other evidence provided by both sides.

This evidence might include advertisements for the sale of similar cars. But I generally place less weight on these than on the trade guides, as the guides give an up-to-date estimate of the value of the car in question. The condition of the car at the time of the incident is also an important factor to consider. And I must emphasise that I will only order a business to increase its valuation if I consider it is unfair.

Valuing second-hand cars is far from an exact science and it isn't my role to value Mrs S' car. I'm just looking to see if Aviva has acted reasonably in providing a fair market value of her car and, overall, I think its valuation was fair.

Aviva has suggested a value of around £40,000 as a fair market value for Mrs S car. I know Mrs S feels this isn't fair, but our investigator has looked at four of the trade valuations guides which have come in with valuations of £39,990, £39,449, £40,000, and £40,835 so it is difficult to say that Aviva's offer isn't fair given the consistency of the guides here. I know Mrs S paid a few thousand more for her car originally but that was a while before her car was stolen.

Given this and the available guides I think Aviva's offer is fair and reasonable in the circumstances. Looking at the values produced by the valuation guides, I can see they have all produced similar values. So, I'm satisfied the insurer's offer – sitting towards the higher end of the valuations produced by the guides, is positioned as I'd expect. I know Mrs S has provided one advert supporting her position, but I wouldn't be persuaded by one advert to suggest that a valuation outside the guides is more appropriate, so I consider Aviva's offer is fair and reasonable in all the circumstances.

Turning to Mrs S further complaint points. Unfortunately, there is always a fair degree of stress, frustration, and difficulty in advancing any insurance claim, especially a claim like this following the theft of an expensive vehicle like Mrs S'. I know Mrs S has faced a difficult time in advancing her claim and faced delay in getting her car back or the market value of her car, but Aviva wasn't obliged to pay her the market value of her car as it wasn't a write off. This was because her car was repairable. But Aviva listened to Mrs S' concerns and bought her car back which was more than it was obliged to do so I can't say it acted unfairly here.

I know Mrs S feels she has been inconvenienced and faced loss of use because of the short delay in paying her claim. And had she have allowed her car to be repaired she would have been provided with a courtesy car. But Mrs S didn't want her car repaired so I can't say that Aviva has acted unfairly in paying her the market value, a loss of use payment for the time she was without a car and agreeing to pay an additional £100 by way of compensation for the difficulties she has faced with her claim.

I know Aviva could've explained how the buyback of Mrs S' car worked more clearly, and that in effect it was compensating her up to the market value of her car as opposed to writing it off, which seemed to confuse Mrs S. But that doesn't mean Aviva did anything wrong, it just didn't explain things as well as it could have done. And given this I don't think Mrs S should be compensated for the miscommunication over and above the £100 suggested by our investigator.

Given all of this, I can't say that Aviva has acted unfairly in paying a fair market value for Mrs S' car and paying a loss of use payment for the time she was without her car even though it wasn't obliged to. And I know Mrs S wants thousands of pounds in compensation, but I

agree that £100 feels fair as a lot of the difficulties Mrs S has faced here stem from the theft of her car and making a claim, as opposed to anything Aviva did wrong.

My final decision

It follows, for the reasons given above, that I partly uphold this complaint. And I require Aviva Insurance Limited to pay £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 26 February 2024.

Colin Keegan
Ombudsman