

The complaint

Mr H has complained about his motor insurer Ageas Insurance Limited regarding a settlement for his stolen and unrecovered van.

What happened

Mr H's van was stolen in November 2023. Ageas offered him £9,380 in settlement for it. After reviewing his policy Mr H felt that wasn't fair as his policy schedule recorded the value of the van as £13,990. He asked Ageas to pay more and it said it would pay £11,685. In a final response Ageas said that was the fair market value of the van (which had done around 95,000 miles). Ageas said that was the top value given by the two motor valuation guides it had been able to get valuations from (the first offer being the lower of the two values).

As Mr H remained unhappy, he complained to the Financial Ombudsman Service. He felt the value detailed in the policy should stand. And to support that he presented adverts of vans for sale, priced between £12,890 and £16,995. When asked for its file of papers, Ageas presented adverts too, to show its settlement offer was a fair market value. Those adverts showed vans for sale, priced between £8,990 and £9,750.

Our Investigator noted the policy set out that Ageas would pay no more than the market value in settlement. She noted the values returned by the guides Ageas had checked, and referred to a third guide, which gave a market value for the van of £10,152. She noted that the adverts provided by both parties were quite varied. She felt Ageas had fairly assessed the market value as £11,685, she wasn't persuaded there was any evidence to say it should reasonably have to pay more.

Mr H felt that was unfair. He said within the 'four corners' of the policy schedule the value for the van is given as £13,990 – and he'd set it at that because he'd done a lot of work on the van recently, including fitting a new engine. He said, at best, the policy was unclear about what Ageas would pay – given the value set in the schedule – meaning he should be given the benefit of the doubt. Further, he noted of all 84 similar vans he'd found for sale, their average price was £13,914.

Following further correspondence from our Investigator, Mr H remained unhappy. The complaint was referred for an Ombudsman's decision.

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.

I appreciate that Mr H feels he set a value for his van which he thought he would be paid in the event it was damaged beyond repair or was stolen. But the policy schedule does not say this is a value agreed to by Ageas. And the schedule is only one document of the many

which make up the insurance contract as a whole. The policy booklet sets out the terms and conditions which explain both parties' rights and obligations under the contract.

I don't think there is any lack of clarity in the policy. The policy booklet does not refer to the value set out in the schedule or say Ageas will pay that sum in settlement of claims. Rather the policy booklet explains that Ageas will never pay more in settlement for a vehicle than its market value. The booklet also explains that Ageas calculates the market value by looking at what the cost will be to replace the vehicle with a similar one.

I know Mr H doesn't have access to the motor valuation guides Ageas has utilised. But that doesn't mean it is unfair of it to have used them to determine what the market value for his van was. The guides are generally felt to be reliable indicators of the likely cost to replace vehicles. And this service encourages insurers to settle claims based on the highest price returned by the guides, unless there is something to suggest that is wrong, giving the insurer good reason to pay more or less than that sum.

Here Ageas did, ultimately, offer the higher of the two guide prices to Mr H. Ideally it wouldn't have taken Mr H querying the first, low offer for it to have done that. But Mr H is still clearly unhappy with even the highest guide price. So I don't think that Ageas offering the higher price initially would have prevented Mr H from feeling the need to challenge the settlement.

I understand that, to challenge Ageas' settlement, Mr H looked at sale prices for vans similar to his. Considering sale prices can be an important step to ensure that the values returned by the guides are actually likely reliable indicators of market values. Mr H explained that he found 84 in total, added up their total sale price and averaged it. The details of those 84 vans weren't submitted. But the specific details of vehicles for sale are important when considering sale prices. For example, the mileage of vehicles can affect price. So, as the specific details of those 84 vans found and averaged by Mr H haven't been seen, I'm not minded to place much weight on the 'average' price of all vans for sale which Mr H found. But some adverts, as I've said were presented, by both parties and I have looked at them to see what they can tell me about the fair market value.

I've noted above that Mr H's van had done some 95,000 miles when it was stolen. Ageas' adverts show vans similar to Mr H's, including having done very similar mileage, all for sale for £9,000 to £10,000. The adverts Mr H presented are quite varied in terms of price and mileage. Those Mr H presented for sale at around £17,000 had done much less miles than Mr H's van, two recorded at around 17,000, and one at 60,000. So I don't think they are reasonable comparators for Mr H's van. There are then three vans priced at £12,995 and one at £13,450, all with similar mileage to Mr H's van. So I don't think they alone show that the sum of £13,990 is a fair market value for Mr H's van.

Looking at Ageas' adverts then, alongside those comparable ones from Mr H, both parties have shown there are similar vans for sale at less than and more than the market value Ageas settled on. That sum, £11,685 is almost exactly halfway between the most expensive advertised price each party has presented (for comparable vehicles); £9,750 from Ageas and £13,450 from Mr H. I'm satisfied then that £11,685 is a fair market value for Mr H's van as Ageas has shown it's most likely he can replace his van for this amount.

I'd add that I say all this having considered that Mr H has done a lot of work on his van. I know he installed a new engine and completed other significant work such as replacing the exhaust system. I understand that, as a result of that work the van was in good condition. But that doesn't mean that it would most likely sell for more than other vans of a similar age and mileage. It might mean that selling it at the top end of the market value would be easier – because it having a new engine, for example, might be an attractive selling factor. But I don't think it's fair to say that the 2016 van should be priced as a 'newer' one just because

some major parts have recently been replaced – the van, as a whole was still six years old at the time of the incident and had travelled around 95,000 miles.

I'm satisfied that Ageas, when stating the market value for Mr H's van was £11,685, acted fairly and reasonably. So I don't uphold this complaint.

My final decision

I don't uphold this complaint. I don't make any award against Ageas Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 May 2024.

Fiona Robinson
Ombudsman