

The complaint

Mr S complains Ageas Insurance Limited settlement of his motor insurance claim is too low.

What happened

Mr S' car was stolen. His motor insurer, Ageas offered a cash settlement based on a market value of £5,303. Mr S wasn't happy with that. He provided some evidence to support a significantly higher valuation he felt would be fairer. Ageas increased the valuation by £683 to reflect the added value of various optional extras. Mr S declined the offer. He still considered it to be not enough for him to purchase a replacement of the same type and condition as the stolen car.

Ageas issued a complaint response. It said its settlement offer represents a fair market value. So it didn't increase its offer.

Mr S wasn't satisfied with Ageas' response, so came to the Financial Ombudsman Service. He says his car was in pristine condition and Ageas' offer isn't enough for him to replace it.

Our Investigator found Ageas' settlement was in line with the policy terms, supported by the evidence and fair. So she didn't recommend it pay anything more.

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.

As this is an informal service I'm not going to respond here to every point or piece of evidence Mr S and Ageas have provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

Mr S' policy covers his car against theft. The policy says Ageas will not pay more than the market value of the car. Market value is defined by the policy as the cost of replacing Mr S' car with one of the same make, specification, model, age, mileage and condition immediately before the loss happened.

So I've considered if Ageas's offer to settle Mr S's claim is fair and in line with these terms. When looking into these types of complaints we check trade guides, adverts and other relevant evidence. We consider whether the insurer has made a reasonable offer in line with the evidence. We generally find the guides persuasive as they're based on nationwide research of likely selling prices, so they can be more reliable than individual adverts. But as I've said we do consider other evidence.

I've considered three valuations provided to this service by trade guides. These were for the specific model and specification of Mr S's car – using appropriate mileage of around 141,000. They are £4,425, £4,620 and £5,513. I've considered various adverts, provided by

Ageas and Mr S, for cars of the same make and model. I've also considered the available information on any optional extras found on Mr S' car.

Having done so I'm satisfied Ageas offer is fair – even though it's based on a market value lower than the highest value given by the guides. Mr S has provided adverts with asking prices significantly higher than Ageas' market value. However, the vehicles also have significantly lower mileage than his car did. On the other hand Ageas has provided adverts for cars with a more comparable mileage. Those adverts support Ageas' market value being fair.

Mr S said the car was in pristine condition. In support he provided an invoice for work on it – totalling around £10,000 – from almost four years before the date of the loss. The work he said it covers appears to be mainly maintenance required to keep the vehicle on the road – for example new brakes and a clutch. I'm not persuaded that work, particularly from so long ago, would likely increase the value above the trade guide valuations and the prices in the relevant adverts. Instead a failure to appropriately maintain a vehicle may result in its value being below trade guide valuations.

My final decision

For the reasons given above, I don't uphold Mr S complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 September 2024.

Daniel Martin
Ombudsman