

## The complaint

Mrs J has complained about the market value esure Insurance Limited trading as esure reached when dealing with a claim she made under her car insurance policy.

## What happened

Mrs J's car was unfortunately damaged by a third party vehicle while parked in September 2023.

Mrs J made a claim to esure and it settled her claim as a total loss. So it paid Mrs J the market value for her car as it said it wasn't economical to repair it and it had structural damage.

Mrs J complained that the settlement wasn't enough for her to be able to buy a similar replacement car.

In October 2023 esure didn't uphold Mrs J's complaint. It said it had reached its settlement in line with the policy and our approach when looking at valuation complaints.

Mrs J asked us to look at her complaint. Our Investigator didn't recommend the complaint should be upheld.

Mrs J didn't agree and wants an ombudsman to decide.

## 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.

We don't decide a valuation. But we look at whether an insurer reached its valuation reasonably and in line with the policy.

Mrs J's policy with esure says the most it will pay in the event of a claim is the market value of her car at the time of loss. It defines the term 'market value' as:

*"the amount you could reasonably have expected to sell your car for on the open market immediately before your accident or loss. Our assessment of the value is based on cars of the same make and model and of a similar age, condition and mileage at the time of accident or loss. This value is based on research from motor trade guides including Glass's, Parkers and CAP. This may not be the price you paid when you purchased the car."*

esure says where it pays the market value for a car it becomes their property.

esure looked at the main motor trade guides when deciding a valuation for Mrs J's car. These guides provide an average valuation for a car of the same make, model, specification, age, condition, and mileage as Mrs J's based on national research and likely selling prices. Like esure, we find these to be a reliable way to reach a valuation. Adverts can vary widely in price, as the price is set at what the seller believes the car is worth. It doesn't therefore mean the final selling price is the same as the advertised price.

I understand Mrs J's car was a specific model with extras – but the valuation guides have taken that into account.

On checking the valuations esure relied on, we found that it paid a settlement within the range of the two higher guides. So I think it reached its valuation fairly.

In response to the Investigator's view, Mrs J was unhappy that the adverts she provided weren't taken into account. But the Investigator explained that the adverts were for cars that were either with lower mileage - or the higher priced example similar to Mrs J's was still for sale.

Mrs J says she was unhappy she wasn't provided with a courtesy car. But she was only entitled to one for the duration of repairs. As her car wasn't repaired, esure didn't do anything wrong in not providing a courtesy car. I've seen no evidence to show esure caused unreasonable delays in the handling of the claim.

Mrs J says she wasn't able to make an informed decision about whether to keep the car because the engineer said they couldn't be sure of further damage behind the wing that was damaged. Mrs J feels the engineer should have carried out a full inspection. She says she might have decided to keep the car if a full inspection revealed no further damage.

But I don't think esure's handling of the claim was wrong. Under the policy, it can decide whether it is economical or not to repair a car. In this case, the costs to repair the damage it could see made it uneconomical to repair as the estimate came to more than the market value of the car. So I don't think esure needed to incur further costs dismantling the car when it paid the market value of it in line with the policy.

Mrs J received an estimate of the costs to repair the visible damage to her car from esure on 13 October 2023. She replied to say she'd decided not to keep the car.

So – taking everything into account – I think esure settled Mrs J's claim reasonably and in line with the policy. So I'm not asking it to do any more.

### **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 Mrs J to accept or reject my decision before 25 October 2024.

Geraldine Newbold  
**Ombudsman**