

## **complaint**

Mr W is unhappy with the value Highway Insurance Company Limited has placed on his motorbike following a claim he made on his insurance policy with it.

## **background**

Mr W was involved in an incident and his motorbike was damaged. He made a claim on his insurance policy with Highway. The insurer said the motorbike was a total loss, and offered Mr W £6,000 as the market value for it. Mr W is unhappy with this valuation and complains that the value should be a minimum of £6,500.

Highway has looked into Mr W's complaint and stands by its valuation of £6,000. It says Mr W wanted to keep the damaged motorbike, so it's agreed a salvage value of £1,800 with him.

Mr W remains unhappy with that overall valuation so he's referred the complaint to our service. One of our adjudicators looked into it. She explained our usual approach to valuation disputes which is that we look at values given by three trade guides to make sure the value the insurer has come to is fair. That said, valuations couldn't be obtained by Highway or us from two of the guides. But the third returned gave a value of £5,225. So the insurer went on to look at advertisements for similar motorbikes. It only found one and that had an advertised price of approximately £6,300.

Our adjudicator also looked for similar motorbikes for sale and found another advertised at £6,000. She felt the insurer's valuation was reasonable.

Because there was no agreement, Mr W's complaint has been passed to me for a final decision.

## **my findings**

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

Mr W's policy says that Highway will pay him the "*market value of the vehicle less the excess just before the loss or damage happened*" in the event that his motorbike is a total loss. The policy defines market value as "*the cost at the date of the accident or loss of replacing the insured motorcycle, if possible, with one of a similar make, model, age, condition and mileage.*"

Our approach to assessing fair market value is to look at what the motor trade guides say the value is. The guides we use are based on national research of selling prices so give a good reflection of the true market value of a motorbike. We don't routinely look at advertised prices as these are often higher than the price agreed at sale.

Unfortunately in Mr W's case, two of the three guides we use were unable to give a valuation for his motorbike. The remaining one however could, and gave a figure of £5,225. To test the fairness of that valuation, Highway and later our adjudicator looked at advertised prices. Two similar motorbikes were found advertised for sale at £6,300 and £6,000.

Based on the information I've seen, I'm satisfied that Highway's valuation of Mr W's motorbike at £6,000 is fair and reasonable in the circumstances and in line with the policy terms. Although I'm aware of Mr W's strength of feeling and frustration about this, having taken everything into account, I can't fairly or reasonably ask Highway to increase its valuation.

**my final decision**

I don't uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 6 January 2019.

Richard Hale  
**ombudsman**