

## The complaint

Mr H complains about how his insurer, Aloï Nissay Dowa Insurance UK Limited trading as Insure the Box (ITB), valued his vehicle under his motor insurance policy following an accident.

Any reference to ITB in this decision includes their agents.

## What happened

In December 2022 Mr H had an accident in which his vehicle was damaged. He contacted ITB to tell them about the theft and lodge a claim. ITB assessed the damage to the vehicle and deemed it to be a total loss.

ITB initially offered a settlement of £11,160 for the vehicle. But Mr H challenged the valuation, saying it was too low and providing examples of similar vehicles at higher values (£16,250). ITB then increased their offer to £12,030. However, Mr H still thought the offer was too low, so he complained to ITB.

ITB didn't uphold the complaint. On the valuation of Mr H's vehicle, they said they'd offered a settlement in line with the terms and conditions of the policy based on the market value of the vehicle. This was initially £11,160 based on values taken from recognised industry valuation guides. After Mr H challenged the valuation and sent in examples of similar vehicles to his own at higher values, ITB said they'd increased their offer to £12,030. ITB said they considered this value fair (so wouldn't be increasing it).

Mr H then complained to this service. He disputed the valuation of his vehicle by ITB, saying he couldn't purchase an equivalent model to his vehicle for their settlement offer of £12,030. being much lower than what he considered to be its value (he'd provided an example valued at £16,250). Having bought the vehicle on finance, he was also having to continue paying for it. He wanted ITB to settle his claim at the value of his vehicle he'd provided when he took out the policy (£16,700) as he didn't think his vehicle had lost value since that point. Or, to repair his vehicle. He'd also carried out work on his vehicle (to meet MoT requirements).

Our investigator didn't uphold the complaint, concluding ITB had offered a fair valuation of Mr H's vehicle in line with the approach taken by this service in valuation cases (and calculated deductions fairly). Having looked at recognised industry valuation guide figures, the investigator thought ITB's settlement offer was in line with what he'd expect, based on market value. Advertised prices for vehicles didn't represent market value as the actual sale price would often be less. And work carried out to meet MoT requirements was to meet the legal obligation a vehicle was roadworthy, so would be maintenance. ITB deducting the policy excess (£1,250) and outstanding premiums (£839.21) was fair as Mr H had received a total loss settlement – so it was reasonable for ITB to charge the full annual premium.

Mr H disagreed with the investigator's view and requested an ombudsman review the complaint. He said he couldn't buy an equivalent vehicle to his own for the settlement offered by ITB. He'd spent a lot of money keeping the vehicle in good condition (and the vehicle had

passed its MoT – not he'd had work carried out to meet the MoT requirements). He thought he could have sold the vehicle for £17,000.

### **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.

My role here is to decide whether ITB has acted fairly towards Mr H.

The main issue in Mr H's complaint is ITB's valuation of his vehicle as a total loss, which they used to determine the settlement figure for the claim. Mr H says the valuation is too low and doesn't reflect the condition of his vehicle and the work carried out on the vehicle. He thinks the valuation is significantly less than its true value, and he could have sold it for £17,000. ITB say they've based the settlement of recognised industry valuation guides for the make, model and specification of the vehicle.

On the issue of the valuation of Mr H's vehicle, I've considered the information and evidence available. ITB say their market valuation (which is what the policy provides for when a vehicle is treated as a total loss is fair and reasonable, citing industry valuation guide figures to support their [revised] valuation of £12,030 (before deduction of the policy excess and the outstanding premiums).

I've looked the valuation figures from the recognised industry guides available to this service (and those used by ITB) and the figures are in a range (based on retail values) from £11,160; through £12,073; to £12,095. Discounting the one significantly different (lower) from the other two, the average of the two is £12,084. I've also noted one of the valuations includes a significant reduction (£4,540) in the valuation to reflect the actual mileage of Mr H's vehicle at the date of the accident – which is recorded at more than twice the average mileage for a vehicle of its age. This may account for some of the difference between the settlement offered by ITB and what Mr H believes is the true value of his vehicle.

The average of the two valuations is very similar to the settlement offered by ITB. The values are also based 'retail' figures (not the – much lower – trade values). Using recognised industry valuation guides is also the approach used by this service, as it reflects market data as a whole, which we consider to be more persuasive. I recognise the points made by Mr H about what he thinks the vehicle is worth (and what he said he could have sold the vehicle for) but I don't think they are more persuasive than data from recognised industry guides.

While not an explicit element of Mr H's complaint, I've also considered ITB deducting the policy excess (£1,250) and outstanding premiums (£839.21) from the settlement offer. Both are in line with the policy terms and conditions in cases where claims are settled on a total loss basis. So, I've concluded ITB acted reasonably in this respect.

Similarly, some of the work Mr H says he's carried out on the vehicle wouldn't enhance the vehicle's market valuation, but maintaining it.

Taking all these points together, I've concluded ITB have acted fairly and reasonably, so I won't be asking them to take any further action.

### **My final decision**

For the reasons set out above, my final decision is that I don't uphold Mr H's complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or

reject my decision before 12 September 2023.

Paul King  
**Ombudsman**