

The complaint

Mr B complains that Aviva Insurance Limited mishandled his claim on a motor insurance policy.

What happened

The subject matter of the claim and the complaint is a sports utility vehicle made by a premium-brand car-maker. Mr B acquired the car new in 2011, with many optional extras.

In early April 2022, the car passed an MOT test with a recorded mileage of under 34,000.

Mr B had the car insured on a comprehensive policy with Aviva for the year from mid-April 2022.

Unfortunately, in late January 2023, Mr B reported that someone had stolen the car.

Aviva said its pre-loss value had been £15,560.00. Mr B disputed that. Aviva asked him to provide further information. After he did so, Aviva increased the valuation to £19,120.00. Mr B complained to Aviva that his car had been worth more.

By a final response dated mid-May 2023, Aviva declined to increase the valuation. But it apologised for not keeping a promise to send the valuation in writing, and said it was sending Mr B £50.00 compensation.

Mr B brought his complaint to us straight away.

Our investigator didn't recommend that the complaint should be upheld. She thought that £19,120.00 was higher than any of the market valuations produced by the motor trade guides she'd seen. She also said that the £50.00 was fair.

Mr B disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- His car had many factory-fitted optional extras.
- The car had paint protection film to keep it immaculate.
- The car had a low mileage.
- His car had had a single owner.
- The car had a top- of -the line tracker.
- Aviva asked him for three advertisements for comparable cars. He spent considerable time compiling this.

- The closest and only single- owner model he could find of similar age (albeit 11 rather than 12 years old) was on the market for £25,000.00. It had fewer options than his car.
- Aviva told him he shouldn't have done this.
- The number of prior owners and number of options does have a significant impact for more premium cars.
- He is left significantly financially short.

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.

Aviva's policy terms said that it would pay no more than the car's market value, defined as follows:

"the cost of replacing your vehicle with one of the same make, model, specification and condition. The market value determined at the time of loss or damage, may also be affected by other factors such as mileage, MOT status (if one is required), how you purchased your vehicle and whether it has been previously declared a total loss."

That doesn't mention age. However, we expect insurers to assess market value by reference to the retail figures in certain trade guides. Those guides also take into account the age of the vehicle and we consider that is fair. We find the guides persuasive because they're based on extensive research of likely selling prices month by month.

We will look at any relevant evidence. But, compared to the trade guides, we find advertisements less persuasive as they contain sellers' asking prices, which may be subject to negotiation downwards.

I accept what Mr B has said about the features and condition of his car.

For Mr B's car at the time of its loss, I've seen retail prices in the trade guides as follows:

CAP	£15,595.00
Glass's	£16,610.00
Cazana	£18,015.00
Auto Trader	£18,907.00

So Aviva's first valuation of £15,560.00 was lower than the lowest trade guide figure and I don't condone that.

However, the advertisements Mr B has provided are few in number, not very comparable to his car and contain only asking prices. So I don't consider that the advertisements provide enough evidence to show that all the trade guide figures are too low.

Aviva's final response figure of £19,120.00 is higher than the highest trade guide figure. So I don't find it fair and reasonable to direct Aviva to increase its valuation or to pay Mr B any more.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Aviva Insurance Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 December 2023.

Christopher Gilbert

Ombudsman