

The complaint

Mr N complains about the settlement Covea Insurance plc (Covea) paid under his car insurance following a claim for the theft of his vehicle.

What happened

Mr N's car was stolen so he made a claim to Covea, his car insurance provider.

Covea accepted the claim and offered Mr N £13,813, before policy excess deduction, which they said was the market value of the car.

Mr N is unhappy with the settlement he's been offered as he says his car was worth around £20,000. So, he approached this service.

One of our investigators looked into the complaint but she didn't uphold it. She said the amount Covea had offered was a fair market value, so she didn't recommend they increase it.

Mr N didn't agree and asked for a final decision from an ombudsman.

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.

Having done so, and whilst I appreciate it will come as a disappointment to Mr N, I've reached the same outcome as our investigator.

Mr N has raised several complaints about Covea, which they've addressed separately. This final decision solely relates to the settlement offer made to Mr N for his vehicle.

Mr N's policy says that in the event of a claim, the most Covea will pay is up to the market value. This is defined in the policy as:

"Market value

The cost of replacing your car with one of the same make, model, specification, year, mileage and condition. In deciding the market value of your car, we will refer to industry recognised guides as well as searching for available vehicles for sale to the public."

Covea determined the market value of Mr N's car using valuations obtained through industry trade guides. These were:

- Glass's £12,930
- CAP £13,459
- Cazoo (now Percayso) £16,508
- Autotrader £12,490

Cazoo was discounted as an outlier as it was significantly higher than the rest, and I think not including that valuation was reasonable. Covea then averaged the three remaining valuations which totalled £12,959.67. However, Covea actually paid £13,813 (before excess deduction) as settlement, so they've already paid more than the average of the guides.

Mr N disputes the valuation is fair and thinks this should be around £20,000.

When investigating Mr N's complaint, our investigator also checked the valuations for the correct vehicle and mileage from CAP, Glass's, Autotrader and Cazoo (now Percayso), along with Covea's. And the settlement made by Covea is in the range of all the trade guides.

As outlined to Mr N by our investigator, this service's typical approach when considering complaints about the fair market value of a vehicle is to take into account what the market leading motor trade guides say the market value is.

The guides are independent of the insurance industry, and from one another. As a service, we find these guides to be particularly persuasive, largely because their valuations are based on nationwide research and likely sales figures. The guides also take into account regional variations. We are confident these guides give a good reflection of the true market value of a vehicle. And I'm satisfied the settlement Covea paid was in the range of these.

I do acknowledge Mr N has provided his own adverts following research online of similar vehicles for sale. However, having seen the links Mr N has provided, these vehicles have a significantly lower mileage than Mr N's car (around a quarter of the amount) which will impact the price.

It also appears on some of the searches that Mr N has also applied a number of filters including available within a limited distance, and filtering by price including high to low, and this is showing vehicles with a considerably lower mileage than Mr N's car. Removing the filters does show vehicles which are a much closer mileage to Mr N's, and in the region of the amount Covea has offered in settlement of his claim.

So, I'm satisfied Covea has followed a reasonable approach by relying on the trade guides, which is in line with how we consider motor valuation complaints. And the trade guide valuations relied on have also resulted in a settlement offer which is reflective of being in the range of similar vehicles for sale.

I've considered the additional information and points Mr N has provided, but this isn't sufficient to persuade me the valuation reached by Covea was unfair or unreasonable. With the above in mind, I won't be directing Covea to increase the settlement amount.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 4 October 2023.

Callum Milne
Ombudsman