

## **The complaint**

Mr W is unhappy with the price he'd received from Kindertons Ltd for his van, after it'd been written off in a road traffic accident.

## **What happened**

Mr W's van was involved in a non-fault road traffic accident in November 2019. Kindertons were instructed to manage the claim and an independent engineer said the van was a write off. The engineer initially said the van was worth £2,721 plus VAT. But the valuation was increased to £2,920 plus VAT (£3,504) based on the average of three of the trade guides usually used for valuing vehicles. Based on this, Mr W was paid £3,504.

Mr W has complained that his van has been undervalued. He feels a fair valuation would be £3,880 plus VAT (£4,656) based on the Parker's trade guide value. So he'd like Kindertons to pay him the difference between £4,656 and £3,504 – an additional £1,152.

Our investigator explained that we don't tell businesses how to value vehicles, but we'd expect them to do this fairly. And we can carry out our own valuations to see if the valuation the business used was fair and reasonable.

The independent engineer had said Mr W's van was in an average condition, and the investigator said the market average for vans in a good/clean condition was £2,913 plus VAT (£3,495). So he thought Kindertons' valuation was fair, and he didn't ask them to increase their valuation.

Mr W didn't agree with the investigator. He believes that the valuations of his van done at the time of the accident give a value much higher than £3,504, and he's explained in some detail why he feels this is the case. So he's asked for an ombudsman to review his case and make a final decision.

## **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, I have reached the same overall conclusions as the investigator, and for broadly the same reasons. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

When considering this complaint, I've looked at the comments made by the independent engineer. They said the condition of Mr W's van was "*average*" with some pre-accident damage. So I've considered the valuations done at the time of the accident and taken the values that reflect the pre-accident condition of the van.

There are four standard industry price guides that are usually used for valuing vehicles:

- Carzana valued the van at £3,358, based on November 2019 values and it being in 'good' condition (there isn't an 'average' condition value).
- CAP valued the van at £1,755, based on November 2019 values and it being in 'average' condition.
- Glass's valued the van at £2,841, based on November 2019 values (there aren't any condition options).
- Parkers valued a van similar van to Mr W's at £3,880, based on January 2020 values.

The valuations from Carzana, CAP and Glass's are all based on the values at the time of the accident and were obtained using Mr W's registration number. But this isn't the same for Parkers, which gives a value for vans of the same year with some adjustment for mileage. And it's based on a January 2020 value. So I don't think it's reasonable to consider the Parkers valuation – this hasn't been done on the same basis as the other valuations, so can't be considered a like-for-like comparison.

I also won't be considering the valuation done by CAP for Mr W's van in a 'clean' condition. The van was in an 'average' condition and CAP have a valuation option for this. So it's only fair to consider the valuation that most closely reflects the pre-accident condition of the van.

The average value of Mr W's van, based on the three valuations listed above, is £2,651 plus VAT (£3,181). If I were to exclude the CAP valuation – the lowest of the three valuations, the average value increases to £3,099 plus VAT (£3,718). But it wouldn't be fair to exclude the CAP valuation, as it's the only one that truly reflects the pre-accident condition of the van.

So I'm satisfied that £3,181 is a fair valuation. And Mr W was paid £3,504. Based on this, I can't agree that the valuation Mr W received was unfair.

I appreciate that Mr W hasn't been able to find a replacement van, of a similar age and mileage to his van, for the amount he's been paid. And this is unfortunate. But that doesn't mean the valuation he received must've been wrong.

Mr W's van was first registered in 2009 and had done almost 138,000 miles at the time of the accident. He's provided details of three similar vans that were for sale in early 2020:

- Van 1 – 2011, 123,500 miles, £3,900 (advert states NO VAT to be added to price)
- Van 2 – 2010, 129,000 miles, £3,995 (on sale through a popular online auction site, so the price includes VAT)
- Van 3 – 2010, 177,000 miles, €4,000 – approximately £3,500 (VAT status unknown as the van was for sale in the EU, not the UK)

These are advertised prices and aren't necessarily the prices that'd be realised on sale. But the trade guides are based on actual sale prices. So these 'for sale' adverts aren't enough for me to say that the independent engineer should've discounted the trade guides when valuing Mr W's van. So I won't be asking Kindertons to adjust their valuation.

### **My final decision**

For the reasons explained above I don't uphold Mr W's complaint about Kindertons Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 25 June 2020.

Andrew Burford  
**Ombudsman**