

The complaint

Miss S complains about the valuation Hastings Insurance Services Limited trading as Hastings Direct gave for her car after it was declared a total loss.

What happened

The details of the complaint are well-known to both parties, so I will not repeat them again here. Instead, I will focus on giving the reasons for my 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.

- I can understand how disappointing it must be for Miss S to have her car declared a total loss. And I appreciate her strength of feeling that her car has been significantly undervalued. But having considered what Hastings has done, I'm not upholding this complaint. I'll explain why.
- When an insurer assesses the valuation of a vehicle it isn't an exact science. Miss S' policy says Hastings will pay the market value of the car immediately before the accident. In the policy terms it outlines how market value will be established and highlights that it will use the industry trade guides to determine this. The guides determine the market value by looking at many factors including actual selling prices of cars.
- I can see that the four trade guides placed the following valuations on Miss S' car, £4,750, £5,160, £4,855 and £5,160. Hastings has offered Miss S £5,223, this is higher than the average of all four valuations.
- I've also looked at the same trade guides and can confirm that the market value of £5,223 represents a fair market value, when looking across the guides, for Miss S' car.
- I've seen the adverts that Miss S has provided from a car sales website. It's important to understand that many car dealerships will add a margin for negotiation when advertising cars. So, this is why trade guides can give a better indication of what the market value is.
- I understand why Miss S feels this is unfair, but it's important to note that her insurance policy does say it will only pay the market value, and not that it will pay the cost of a new car.
- Hastings has used trade guides to determine the market value of the car and I can see that it placed a slightly higher valuation on the car than the average of the values.
- The payment it made is in line with the trade guides I've looked at, so I don't think it's acted unreasonably.
- Hastings did deduct the excess and Miss S' outstanding direct debits from the offer of £5,223. This is inline with the policy terms. So, I can't say Hastings has acted unfairly.

- I have considered that Miss S said she had car seats in the boot. Having reviewed the policy terms, it says:

If you have a child's car seat or booster seat fitted in your Car and you make a claim under sections 1 or 2 of this Policy your Insurer will pay for the cost of a replacement of a similar model and standard, even if there's no apparent damage, up to the value of £300 per incident. You should provide proof of purchase.

- And while there is no proof that these seats were actually fitted (as Miss S says these were in the boot) Hastings has said that if Miss S provides evidence of proof of purchase, it will consider the claim. Which I think is fair in the circumstances. Therefore, I would encourage Miss S to contact Hastings regarding this matter.
- So, for the reasons I have explained, I won't be asking Hastings to do anything further.

My final decision

My final decision is that I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 9 December 2020.

Jade Rowe
Ombudsman