

The complaint

Mr G complains about Hasting Insurance Services Limited's (Hasting) handling of a claim made under his motor insurance policy. Mr G is represented by Mr S.

What happened

In August 2020, Mr G's parked car was damaged by a third party. He contacted his insurers who said the car was deemed to be write-off.

Hastings offered Mr G £11,000, which he said was between £1,750 and £2,000 below the amount needed to find a comparable replacement car. Mr G was also unhappy to find an excess of £645 had been deducted from the settlement figure paid by Hastings. Mr G said he understood an excess wouldn't be applied as part of the uninsured driver section of his policy. Mr S complained to Hastings on behalf of Mr G.

Hastings considered the complaint. In the final response letter sent to Mr S in September 2020, it said the excess had been charged because the third parties' vehicle had insurance in place at the time of the incident. So, it wouldn't refund this. In respect of the valuation, it said this figure had been calculated using trade guides, and an average figure of £10,850 was offered. This was later increased to £11,000 but it wouldn't increase it to £13,000 as Mr G requested.

Mr S referred Mr G's complaint to this service. He said to put things right Mr G wanted Hastings to pay what he considered to be the shortfall in the valuation figure and refund the excess payment. Our investigator considered Mr G's complaint and said while she was satisfied the valuation had been calculated fairly but thought the excess should be refunded. Hastings later agreed to refund the excess payment. But as Mr S didn't agree with the investigators conclusion about the valuation, this case has been passed to me.

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.

As the complaint point about the excess has been resolved to both sides satisfaction, I won't be making a finding on this part of the complaint. It follows, the remaining issue here for me to decide is if the valuation placed on the car by Hastings was fair in the circumstances.

Mr S says Mr G's car was quite a rare find in terms of specification and colour. And it's for this reason they didn't agree with the valuation figure of £11,000.

I've considered what Hastings is required to pay, as set out by the terms and conditions of the policy. These say Hastings will pay the market value, which is defined by the policy terms and conditions as:

"The cost of replacing your Car in the United Kingdom at the time the loss or damage occurred with one of the same make, model, age and condition. This may not

necessarily be the value you declared when the insurance was taken out. Your Insurer may use publications such as Glass's Guide to assess the Market Value and will make any necessary allowances for the mileage and condition of your Car and the circumstances in which you bought it"

This service doesn't decide a valuation. But we can look at whether an insurer has acted reasonably when reaching its valuation. Mr G's policy says the most it will pay in the event of a claim is the market value of the car at the time of loss. In line with our approach, motor trade guides have provided a valuation for Mr G's car. The market values produced were between £10,690 and £11,400, with Mr G being offered towards the higher amount.

I appreciate Mr S saying why he thinks the valuation should be higher, based on what he says was the rare specification of the car. I'm not disregarding this. However, I'm satisfied Hastings has followed our approach by making a payment based on the market valuations it obtained (and at the higher end of these valuations) and given clear reasons for the amount it paid Mr G. It's important Mr G is given a fair settlement. It follows I'm satisfied Hastings has followed a fair process in reaching its valuation, sharing the valuations it relied on and paying an average of the three. I haven't seen enough to say it was unreasonable for it to do so for this claim. It follows I do not require it to pay anything further in terms of the valuation.

I've considered Mr S' comments that Mr G has found the process of identifying a replacement car stressful. I'm sorry to hear this. But I think it is more likely the source of this stress came from having to find a replacement car in the first instance – so from the fact Mr G's parked car was hit by a third party. I don't think Hastings can be responsible for this, although I recognise Mr G believes Hastings should have paid him more. And as I've already concluded Hastings acted appropriately in how the valuation was calculated, it follows I'm not going to recommend it should make a payment in recognition of the stress Mr G says he experienced when finding a replacement car.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 19 April 2022.

Emma Hawkins
Ombudsman