

The complaint

Mr G complains about his insurer, Ageas Insurance Limited (Ageas) under his motor insurance policy. Mr G's complaint is about his not being able to keep his vehicle following Ageas's decision to treat his vehicle as a total loss following an accident.

Any reference to Ageas in this decision includes their agents.

What happened

In August 2020 Mr G's vehicle was damaged in a collision with another vehicle and he contacted Ageas to lodge a claim. Ageas asked Mr G for photographs of his vehicle so they could assess the damage. Based on photographs, Ageas concluded that the extent of the damage meant the vehicle should be treated as a total loss, as the estimated cost of repair exceeded the value of the vehicle.

Ageas offered Mr G £1,050 (£1,150 valuation less £100 excess) as settlement for the vehicle, on the basis they would collect and dispose of it as salvage. Mr G accepted the offer and provided bank account details for Ageas to make payment. He also provided vehicle registration details so they could update the ownership of the vehicle. Ageas's salvage agents then collected the vehicle from Mr G.

A few months later Mr G was told that his vehicle was seen being driven by someone else. Mr G was surprised as he said he had wanted to keep the vehicle. Unhappy at this he complained to Ageas. Ageas rejected the complaint, saying that Mr G had accepted their settlement offer on the basis that the vehicle would be retained by them and disposed of as salvage. Ageas also said that when Mr G provided them with the vehicle registration details, they'd told him that the change in ownership couldn't be reversed (and that he agreed to this). Ageas also said Mr G hadn't told them at any point he wanted to retain the vehicle and that they'd acted with his consent and agreement.

Mr G was unhappy at his complaint being rejected and complained to this service. The main element of his complaint was that he'd wanted to keep the vehicle but hadn't been able to do so. During our investigation of his complaint, Mr G also alleged that someone at Ageas had sought to have the vehicle declared a total loss, with the intention of it then being disposed of to someone they knew.

Our investigator didn't uphold the complaint, concluding that Ageas had followed their normal procedures in assessing the damage to the vehicle, declaring the vehicle a total loss and then disposing of it as salvage. He also concluded there was no evidence Mr G had asked to retain his vehicle. While it had been repaired and seen being driven, this wasn't uncommon. The investigator also noted Mr G's allegations about how someone at Ageas had acted were refuted by Ageas. Based on this, he didn't think Mr G's allegations were supported.

Mr G didn't agree with the investigator's view and asked that an ombudsman review the complaint.

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.

My role here is to decide whether Ageas has acted fairly towards Mr G.

The main part of Mr G's complaint is that – once it had been treated as a total loss - he wasn't able to keep his vehicle. Ageas say that they made it clear that in accepting their total loss settlement the vehicle would be retained by them and disposed of. Ageas also say that Mr G hadn't told them at any point he wanted to retain the vehicle and that they'd acted with his consent and agreement. I've considered both views carefully and looked at the evidence available. I've also listened to the call recordings between Mr G and Ageas in which Ageas say that he agreed their settlement offer.

On the first aspect, the decision to declare the vehicle a total loss, I've seen the report from Ageas that puts the value of the vehicle at the time of the accident (the 'Pre Accident Value') at £1,150 and their letter to Mr G that explains that his vehicle is likely to be a total loss. From the call recordings of the subsequent discussions between Mr G and Ageas, it's clear that Mr G isn't initially happy, but Ageas explain that this is based on their engineer's assessment, including that the MOT certificate had expired (on the day of the accident) and that there was also pre-existing damage to the vehicle. I've not seen specific evidence of the estimated cost of repair, but based on the valuation of the vehicle and the indications of the damage from the photographs in the report, I've concluded that it was reasonable for Ageas to treat the vehicle as a total loss.

Having concluded that it was reasonable for Ageas to treat the vehicle as a total loss, I've considered the point about whether Mr G (as he maintains) asked to keep the vehicle. Or (as Ageas maintain) it was made clear that in accepting the total loss settlement he was agreeing and consenting to the vehicle being collected and disposed of. I've also considered what Ageas have told us about their policy not to promote policyholders retaining their vehicle if treated as a total loss. But that they would consider retention only if a policyholder requests it (and Ageas's engineer agrees). As a policy, that's a position for Ageas to take as an insurer. But the key issue to consider here is whether Mr G asked to keep the vehicle.

Having listened carefully to the call recordings between Ageas and Mr G, as I've noted Mr G initially isn't happy with the settlement offer. He does ask about options for repair but is told that the engineer's assessment is that the damage to the vehicle makes it uneconomical to repair. But he doesn't specifically ask about keeping the vehicle, or request to do so. I've also listened to the subsequent recording where Mr G provides his bank account details for payment of the settlement and his vehicle registration document details so that the change of ownership can be made. It's also made clear that his vehicle will be collected by Ageas's salvage agents (within two to three working days).

Based on this, I've concluded that Mr G didn't ask to retain the vehicle. And in proceeding with the settlement offer it was made clear by Ageas that (when providing them with the vehicle registration details) that the change in ownership couldn't be reversed.

I've also looked at the terms and conditions of Mr G's policy. The policy booklet sets out the process where a vehicle is treated as a total loss. It states that where a total loss settlement is accepted, the vehicle will belong to the insurer (Ageas). This is consistent with Ageas asking for the vehicle registration details so that the change of ownership can be notified to the DVLA (as the relevant authority). The booklet also sets out that (under the heading "*Disposing of your car if it cannot be repaired*") the insurer will arrange for an appointed salvage agent to collect the vehicle to dispose of it. Again, this is consistent with what

happened in Mr G's case. So I've concluded that Ageas acted in accordance with the terms and conditions of the policy.

Based on these factors, I've concluded that Ageas acted fairly and reasonably when treating Mr G's vehicle to be a total loss. And that they acted reasonably in line with the terms and conditions of the policy when offering a total loss settlement and explaining what acceptance of the settlement would mean.

I've also considered Mr G's allegations that someone at Ageas had sought to have the vehicle declared a total loss, with the intention of it then being disposed of to someone they knew. I've considered Ageas's response to these allegations, as well as the evidence and my conclusions about the decision to treat Mr G's vehicle as a total loss. It's clear that the decision to treat the vehicle as a total loss was based on an engineer's assessment that the vehicle was beyond economical repair. And it was made clear to Mr G that in accepting the total loss settlement the vehicle ownership would change and that it would be collected by the salvage agent.

It's also the case that the vehicle was assessed to be a category N total loss. Meaning the damage – although not economical [for Ageas] to repair – was 'non-structural'. That means it was less severe than other types of damage and so (if repaired to an appropriate standard) the vehicle could be driven on the road legally. Once collected by the salvage agents, it would be for them (not Ageas) to determine how to dispose of the vehicle, including the option of selling it to a buyer who could choose to repair it. So, it wouldn't be impossible for the vehicle to have been seen (as it appears happened) back on the road. And as Mr G has provided no evidence to support his allegations, then I've concluded that there isn't anything to indicate Ageas have acted unfairly or unreasonably towards Mr G.

I recognise that this will be disappointing for Mr G, but I hope that I've been able to explain the reasoning for my conclusions.

My final decision

For the reasons set out above, my final decision is that I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 12 January 2022.

Paul King
Ombudsman