

The complaint

Mr N complained about Zenith Insurance plc. He isn't happy about the way it dealt with a claim under his motor insurance policy and about the valuation it provided for his car.

What happened

Mr N made a claim under his insurance policy. But when he made the claim he felt Zenith delayed in dealing with the claim and that the valuation of his car was low. Mr N also felt that he shouldn't have had to pay the remainder of his premium or the cost of changing his cherished number plate. So, he complained to Zenith.

Zenith explained how it had valued his car and it felt it had offered a fair market value. It did accept its communication and service could have been better. And so it apologised and waived the storage costs that Mr N had incurred at the garage before it became responsible for the claim. As Mr N remained unhappy he complained to this service.

Our investigator looked into things for Mr N but didn't uphold his complaint. Initially she asked Zenith to pay an additional amount of compensation for the poor service it provided. But when Zenith explained that it had waived the storage costs Mr N owed to the garage (amounting to £288) she thought Zenith had acted fairly. She also explained to Mr N that she had checked the valuation guides and thought Zenith had offered a fair market value of his car.

Mr N didn't agree, he thought Zenith should pay him additional compensation and didn't agree that he was responsible for any of the original storage costs. So, the matter has been passed to me to decide.

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 don't think the complaint should be upheld. I know this will come as a disappointment to Mr N, but I'll explain why.

I know Mr N believes that he shouldn't have to pay the remainder of his premium but, as our investigator explained, once a claim is made under the policy then the full premium for the year is due. And any costs incurred in transferring his cherished number plate isn't a matter for his insurer and the costs involved are paid to a government agency by the holder of the number plate.

In relation to the valuation of Mr N's car I can understand why he feels his car is worth more than Zenith offered him, and I understand the car was of sentimental value. But this service has an established approach to valuation cases like Mr N's. When looking at the valuation placed on a car by an insurance company I consider the approach they have adopted. And decide whether the valuation is fair in all the circumstances.

It isn't the role of this service to come to an exact valuation of a consumer's car. But we do look to see if insurers have acted reasonably in looking to offer a fair market value of the car. I pay attention to the various trade guides used for valuing cars. And I look at any other evidence provided by both sides. This evidence might include advertisements for the sale of similar cars. But I place less weight on these than on the trade guides, as cars don't normally sell for the price at which they are advertised, and the trade guides give an up to date guide of the value of the car in question. The condition of the car at the time of the incident is also an important factor to consider. And I must emphasise that I will only order a business to increase its valuation if I consider it is unfair.

Zenith looked at the various valuation guides in forming the market value of Mr N's car. And our investigator also used various valuation guides and came to a similar suggested guide price as Zenith so I can't say it has acted unreasonably here. Valuing second-hand cars is far from an exact science and it isn't my role to value Mr N's car. I'm just looking to see if Zenith has acted reasonably in providing a fair market value of his car and I think it has.

Finally, it is accepted that Zenith's service and communication wasn't good enough here. But I feel that Zenith looked to put things right in a fair and reasonable way by waiving the storage costs Mr N incurred, which it had paid on his behalf, before he chose to make a claim through his insurer. Mr N chose initially not to make a claim under his insurance policy and looked to use a claims management company in order to avoid making a claim under his insurance policy. I know Mr N disputes this, but I feel it is clear from his initial calls that was his chosen path. So, I think that Zenith has acted reasonably here by paying the storage costs for Mr N and by waiving his excess that was also due under the policy.

Given all of this, I'm satisfied Zenith has looked to value Mr N's car in a fair and reasonable way and looked to pay him the market value of his car in line with the policy terms and conditions. And I think its offer to waive the storage costs Mr N incurred (£288) seems fair. So, although I know Mr N will be disappointed with my decision I'm not upholding his complaint.

My final decision

It follows, for the reasons given above, 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 10 March 2022.

Colin Keegan
Ombudsman