

## The complaint

Mr H says One Insurance Limited provided poor service to him after he made a claim on his motor insurance policy and his car was written-off.

## What happened

When Mr H called to make a claim, he thought there was some damage to his car's gearbox after an impact with an object in the road and wanted it to be repaired. After an inspection by its garage, One Insurance told Mr C on 30 July 2020 that the car was a total loss. Mr H didn't accept that. He thought the garage may have caused further damage, and he disagreed with the valuation One Insurance had placed on the car. A complaint was raised in August 2020. One Insurance sent a final response letter to Mr H in October 2020 offering him £3,697 for the car, plus £150 compensation for its poor contact.

Mr H didn't provide his bank details to One Insurance as requested. He said that was premature, as he hadn't yet agreed to a settlement. Mr H called it in December 2020 to say he'd heard nothing further and felt he'd been forgotten. In March 2021, following further comments from Mr H disagreeing with One Insurance's stance, it told him he should contact this service. Mr H did so whilst continuing to dispute the proposed settlement.

We asked for the business file on 5 May 2021. Our request stated (amongst other things) that Mr H wasn't happy with the offer for his car - *and that he wanted to know when he'd get it back*. As there was no response, we sent the file request again two weeks later, and again on 22 July 2021. One Insurance sent its file to us on 15 September 2021. Meanwhile, it had disposed of the car. It sent Mr H a letter on 21 July 2021 giving him 14 days' notice, but Mr H didn't get it. As it hadn't heard from him, One Insurance cleared the car for sale in August 2021 and sold it in September 2021.

One of our investigators reviewed Mr H's complaint. He thought the valuation of his car was correct. But he thought there were avoidable delays and poor communication on One Insurance's part. He didn't think Mr H knew about the valuation initially or that One Insurance intended to settle the claim based on it. He said as the claim hadn't been settled - and One Insurance had been made aware by us that Mr H wanted the car back - it shouldn't have been disposed of. After noting further comments from One Insurance, the investigator still thought it shouldn't have disposed of the car. But he reduced the compensation he thought it should pay Mr H to £300. One Insurance disagreed with the investigator's view – and it said the car was sold before it saw our file request.

As there was no agreement, the file was passed to me for review.

### 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.

One Insurance has provided engineering evidence to show that there was more damage to the car than Mr H had anticipated. There's nothing to show that the garage caused any

further damage to it when it was collected or afterwards. I think it was reasonable for One Insurance to rely on the engineer's opinion and to write the car off. I also think it was reasonable for it to offer Mr H £3,697 for the car. The sum was based on the figures provided in the national trade guides. We think using the guides is the fairest way to determine a vehicle's likely pre-accident market value.

As Mr H wrongly believed the car was worth much more than One Insurance had offered him, he didn't accept the sum it had offered. I think One Insurance should have done more to move the claim on, and to discuss all the options with Mr H, especially after he disputed its final response letter and refused to provide his bank details to it in October 2020. There's a note on its file in December 2020 that says it didn't get a response to the final response letter from Mr H, but according to the other notes on the file, that's not the case.

I think it was reasonable for One Insurance to point out to Mr H that he should contact us if he wanted to escalate his complaint. He remained in contact with it after that and asked for documents and for a further explanation about the cost of repairs throughout April 2021. Communication and activity on the claim seem to have stopped after then until July 2021, when One Insurance noted (incorrectly) that there had been no contact from us – so it thought it would be appropriate to dispose of the car.

By the time the car was cleared for sale, we'd requested the business file from One Insurance three times. It says our third request (in July 2021) was picked up, but not until September 2021. It's not clear why - but I think One Insurance had sufficient notice that Mr H wanted his car back, through our emails to it. I don't think it was necessary for him to have to tell One Insurance that directly, especially when he hadn't accepted the settlement. He had no reason to think the car would be sold without his knowledge or consent.

We think it's fair and reasonable for a car to be disposed of when a consumer has been paid the market value for it. Until that point, it's open to the consumer to ask for their car back. If a consumer has said they don't accept the valuation - and has indicated that they believe the vehicle could be repaired for much less than a garage has suggested - I think it's quite likely that the consumer may want the car back, in order to get it repaired themselves.

One Insurance can show that it issued a 14-day disposal notice to Mr H in July 2021. We usually say that if an insurer can show a letter or email was generated on its system, and was addressed correctly, it isn't the insurer's fault if it wasn't received. That applies here, but I think it's very likely that Mr H didn't get the letter. As he'd contacted us by then, I think he'd have passed it on to our investigator. I haven't seen anything to show that One Insurance tried to contact Mr H by email or phone to check he'd received the letter, or that it contacted him again about the disposal. And we had advised it that he wanted the car back.

I think One Insurance needs to pay Mr H the car's market value, as offered previously. It has accepted that he had to call it for updates and that it didn't contact him enough - and the file shows that there were inexplicable periods of inactivity on its part. I think One Insurance should have done more to move matters forward. In my opinion, Mr H was inconvenienced by the claim dragging on, as well as upset to find that the car had been disposed of and had a new owner. So I think it would be fair and reasonable for One Insurance to pay him £300 compensation for distress and inconvenience.

### **My final decision**

My final decision is that I uphold this complaint. I require One Insurance Limited to pay Mr H £3,697 for his car (as already offered). It should also pay him £300 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 June 2022.

Susan Ewins  
**Ombudsman**