

## The complaint

Mr J complains about how West Bay Insurance Plc handled a claim made under his car insurance policy.

## What happened

I previously issued my provisional decision on this case. It was my intention to come to a different outcome to the Investigator. Because of this, I wanted to give both parties the chance to respond with anything else they wanted me to take into account before I came to my final decision on the matter.

I have copied my provisional decision below, which also forms part of this final decision.

*“On 27 September 2022, Mr J was involved in a collision which caused damage to his car. Initially the car was sent by West Bay for repairs, but then the approved repairer deemed the car a total loss, and so West Bay passed the car to a salvaging agent.*

*Mr J has raised various concerns about the things he says West Bay got wrong, and I have summarised these points below:*

- There were delays in his claim being processed and West Bay didn't update him during the claim period which led to him having to contact them on numerous occasions to get updates.*
- Mr J says that the valuation West Bay placed on his car is too low. He said he found other cars available for sale which have a higher selling price. And he says that West Bay hasn't taken into account the condition and history of his car when coming to a valuation.*
- Mr J told us that West Bay didn't give him the option to keep his car at salvage. He also says West Bay didn't tell him that his car had been sent to a salvage agent – which has subsequently led to him not being able to collect several personal items from the car. He says some of these items hold sentimental value.*

*West Bay considered Mr J's complaint and upheld it in part. It agreed it had caused a delay in Mr J's claim being progressed. And that it should have kept him updated on the claims' progression. Because of this it offered him £200 compensation. It also agreed to increase the valuation of Mr J's car to £3,052. West Bay asked Mr J to provide details and receipts for the items he says were left in the car, so it could look into this matter further.*

*Unhappy with West Bay's response, Mr J referred his complaint to this service. An Investigator looked into Mr J's concerns, but they didn't uphold the complaint. They thought the £200 West Bay had already offered Mr J was a fair way to settle the claims delays and the customer service issues. The Investigator explained that they'd checked the motor valuation guides and as a result, thought the valuation West Bay had placed on Mr J's car was fair. And they thought that West Bay asking Mr J for more information about the personal items left in the car was reasonable.*

*Mr J didn't agree with the Investigator's view and raised a number of points in response,*

mainly relating to the valuation of the car – in that he has evidence which proves that his car is worth more than the valuation West Bay had come to. He explained that he didn't have receipts for the personal items left in the car, and some of the receipts had been left in the car – although he estimated the value of the items to be in excess of £1,500.

Prior to the complaint being allocated to me, West Bay offered Mr J £1,000 for the personal items left in his car. Mr J 'reluctantly' accepted this offer to draw a line under the matter. However, he said he still wanted a decision on the other points he was unhappy with. And so, the complaint has been passed to me.

### **What I've provisionally 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.

In reaching my provisional decision, I haven't reflected all the information provided by both parties. But I'd like to reassure both parties that this isn't because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless it's relevant to the crux of the complaint.

I'd like to express my empathy for Mr J's situation. It's clear that his complaint and ongoing claim has caused him frustration – and I'm sorry to have read of the injuries Mr J sustained during the collision. In reaching my conclusion, I don't wish in any way to downplay or disregard the situation Mr J is in. But being independent means, I have to take a step back and consider what both parties have said. And having done so, I intend to uphold Mr J's complaint in part, but I understand it probably isn't as far as Mr J would like me to go in resolving things in the way he wants.

### Claim delays and customer service issues

West Bay have accepted that there were some delays in its claims handling and that it didn't keep Mr J up to date with the progress of the claim as well as it could have done. I appreciate that this has caused Mr J some inconvenience, but ultimately, I think West Bay's offer of £200 is enough to compensate him for this. I don't intend to ask West Bay to pay Mr J more compensation for these things.

### West Bay's decision to sell the car to a salvage agent and unrecoverable personal items left in car

West Bay has explained that it isn't its policy to offer its customers the option to keep their car after it has been deemed a total loss. It also said that Mr J didn't ask to keep the car and so it didn't have the option of considering this.

I agree that in certain circumstances, West Bay's approach not to offer its customers the option to keep the car is reasonable – this is where a car is deemed irreparable and unsafe. But in this case, I don't find that Mr J not being given the option to keep his car makes a difference to the outcome of this complaint.

Based on what I've seen, I agree that Mr J didn't ask to keep his car, but I think this is more likely to do with the fact that Mr J thought his car was being repaired, when actually it had already been passed to the salvage agent. So, I don't think Mr J had the opportunity to let West Bay know that his intention was to keep the car – if this was his intention.

*In any event, even if West Bay had offered Mr J the option of keeping the car, I don't think it's likely he would have taken it back. I say this because, the cost to repair Mr J's car was deemed uneconomical – which essentially means that it would have cost more to repair the car than it was worth. And West Bay would have also deducted what it would have got from the salvage agent off any settlement it paid Mr J. All of this means that I find it unlikely Mr J would have asked for his car back, given that it would cost more to repair, and the settlement would be less.*

*But I think if Mr J had been told the car was being passed to the salvage agent, then he would have had the opportunity to go and collect his personal items from it before it was sold. It isn't in dispute that West Bay didn't give Mr J this opportunity. And so, I agree that West Bay needed to do something to put things right for Mr J here.*

*Both West Bay (and this service) has asked Mr J for more information regarding the personal items Mr J says were still in his car when it went to salvage. I think this is reasonable to substantiate the loss. Mr J has said that he can't provide receipts because he didn't keep some of the receipts and some of the other receipts were in the car – I think this is also reasonable.*

*Mr J says that the value of the personal items in the car were around £1,500. But when we asked Mr J for a breakdown of these costs, he didn't provide it.*

*Without any information to support what Mr J said about the value of the personal items, West Bay offered him £1,000 to compensate him for the loss of the items. Mr J has accepted this offer. However, for completeness, my view is that this offer is fair given that Mr J has provided very limited information about the items.*

*I do accept though that the issue with the personal items has caused Mr J upset, inconvenience and distress. He is now without the items, some of which I consider held sentimental value which, as he says, a price can't be placed on them. I think West Bay have caused Mr J unnecessary distress and upset on this point, and so I intend award Mr J £300 to compensate him for this.*

#### Valuation of the car

*It's probably worth starting off by saying that it isn't my role to value Mr J's car. What I need to do is consider whether West Bay settled the claim in a fair and reasonable way, and in line with the terms and conditions of the policy.*

*Mr J's policy says, "The insurer will not pay more than the market value of the car at the time of the loss." And 'market value' is defined as "The cost of replacing the car with another of the same make, specification, model, age, mileage and condition as the car immediately before the loss or damage happened." When Mr J's car was deemed a total loss and uneconomical to repair, West Bay offered to settle the claim by paying Mr J what it thought was the fair market value for his car which was £3,052. I have noted that West Bay previously offered Mr J lower amounts, however given this figure is its final offer I will focus on this.*

*In assessing what we consider to be market value, we obtain valuations from motor trade guides. These are used for valuing second-hand vehicles. We find these guides to be particularly persuasive, largely because their valuations are based on nationwide research of likely sales figures. The guides also consider regional variations as well as the cars make, model and other specifications. So, we generally find them to be more reliable than other resources such as adverts. We also take all other available evidence into account, for example, engineer's reports.*

*I fully understand Mr J's frustration with the situation he's in as he says he's found examples of cars that are advertised for sale at a higher price. But these prices are likely an offer to sell. The offers reflect that a consumer will want to negotiate the price at the time of purchase. This is not necessarily the price that will be obtained. So, these advertised sale prices can often be misleading when assessing the market value of a car.*

*I've checked the motor trade guides for the value of Mr J's car at the time of the incident and they produced the following valuations: £2,732 (guide one), £3,064 (guide two), £3,360 (guide three) and £2,857 (guide four).*

*Often where one guide is significantly out of line with (or different to) the others the accepted practice is to disregard it. But I don't deem that any of the valuations from the guides to be so different from the others that they should be disregarded.*

*Looking at the four guide prices together would be our normal approach, and one that we normally think is fair to all parties. I think I need to take a pragmatic view of all the valuations and not discount any of them. The criteria that drive the price are so varied, and some very specific criteria such as age and mileage play a big part in determining the price. Because of this it makes sense to rely on the guides and use the data provided within them to get to a fair valuation. So, with that in mind I think the correct approach would be to take all four guides into account. The average of the four guides is £3,003.25.*

*It appears that West Bay has offered Mr J more than the average across the guides, and so I think it has placed a fair valuation on Mr J's car and it is in line with the motor trade guides. Because of this, I don't intend to ask West Bay to increase its valuation.*

*I have noted that Mr J says he has information which puts into question the valuation produced by the guides. But he hasn't provided this service with the information he's referred to. If Mr J would like me to take this information into account before I come to my final decision on the matter, then he needs to send this to us before the deadline.*

### Summary

*In summary then, I don't find that West Bay placed an unfair valuation on Mr J's car. I also don't think it was unreasonable of it to not have given Mr J the option of keeping the car. But I do agree that West Bay should have let Mr J know he needed to collect his personal items from the car, and I can understand how frustrating it must have been for him to no longer be in possession of these items. Based on the information I've seen; I agree that West Bay's offer of £1,000 to compensate him for his financial losses here is fair, but I think West Bay also needs to pay compensation of £300 to recognise the impact the loss of these items has had on Mr J. This means that I intend to order West Bay to increase the compensation award to £500 in total. I understand that West Bay has already sent Mr J a cheque for £200 – if this has been cashed, then West Bay can deduct the £200 from the total compensation award."*

Both parties responded to the provisional decision to say they accepted my provisional findings.

### **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.

Given that both parties have accepted my provisional findings, I see no reason to depart from them. So, my decision is, for the same reasons as outlined in my provisional decision, that I uphold Mr J's complaint in part.

### **Putting things right**

In order to put things right for Mr J, West Bay must:

- Pay Mr J £1,000 to compensate him for the financial loss of his personal belongings (if it hasn't already done so).
- Pay Mr J an additional £300 to compensate him for the distress and inconvenience the loss of his belongings caused (£500 total including the cheque payment it made to Mr J previously).

### **My final decision**

For the reasons set out above, I uphold Mr J's complaint. I order West Bay Insurance Plc to put things right for Mr J by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 18 May 2023.

Sophie Wilkinson  
**Ombudsman**