

## **The complaint**

Mr C complains that Wakam undervalued his car when handling a claim on his motor insurance policy.

Mr C is also unhappy that Wakam didn't give him the opportunity to retrieve his personal belongings from the car before moving it to a different location.

Reference to Wakam includes its agents.

## **What happened**

Mr C took out a Private Hire Motor Insurance Policy with Wakam. He made a claim to Wakam following the theft of his car.

Wakam initially valued the car's pre-incident market value as £10,820 and offered this amount to Mr C less the £500 policy excess. At the time, Mr C's car was still missing and so the valuation was based on an adjusted mileage from the MOT history because there was no evidence of the actual mileage.

Mr C didn't think the valuation completed by the independent engineer on his car was correct and he also disagreed with the information the engineer used in order to reach the valuation. He said all the car details, including the mileage, were incorrect. Mr C believed a more accurate valuation would be in the region of £16,000 and he provided examples of adverts which he says as for cars similar to his priced between £13,995-£18,949.

In response, Wakam said the adverts provided by Mr C didn't include the mileage and it believed this would impact the price. It also said it had found an example of a car which was being sold for the amount it offered Mr C. Wakam felt that the valuation for the vehicle was a fair offer in line with information it had about the car and the valuation guides available to it. Wakam therefore refused to increase the car valuation.

Mr C was thinking about accepting Wakam's offer and so he sent Wakam the keys to his car and a copy of the V5 registration document. In the meantime, Mr C's car was recovered by police, and he was informed he could collect it from the compound which was approximately six miles away from his home. As Mr C was no longer in possession of the car keys or the V5 registration document, he contacted Wakam and said that he would like to accompany Wakam to the compound to collect his personal belongings from the car, including a gold chain which he'd hidden in the car.

Mr C says that even though Wakam had agreed to him accompanying its engineer to the compound to collect his belongings from the car, Wakam collected the car without informing Mr C and moved it to a different location which was approximately 300 miles away from Mr C's home. Mr C complained that he was unable to travel to the new location and Wakam didn't give him the opportunity to collect his personal belongings before moving the car.

On inspection of Mr C's car, Wakam deemed it a total loss category S. It also carried out another valuation based on an accurate reading of the mileage from the odometer. As a

result, Wakam increased the valuation of Mr C's car by £110 to £10,930, less the £500 policy excess.

Mr C remained dissatisfied with the valuation of his car and he didn't think Wakam had dealt with him fairly so he brought his complaint to us.

One of our investigators looked into it. He felt that Wakam didn't do anything wrong when it moved Mr C's car to a different location. He also explained that had Wakam not moved the vehicle in a timely manner, it would have been disposed of and so it took the correct action in moving it. He also pointed out that in any event Mr C's policy didn't provide cover for personal items that were left in the vehicle.

He also considered whether Wakam acted fairly when valuing Mr C's car and he didn't think it had. He therefore asked Wakam to increase the valuation for Mr C's car by £230 to bring it in line with the average across the three valuation guides he had checked. Wakam and Mr C didn't agree with our investigator. The complaint has therefore been passed to me to decide.

I issued a provisional decision in June 2023 explaining that I was intending to not uphold Mr C's complaint. Here's what I said:

#### *Provisional findings*

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I appreciate this will be disappointing for Mr C, but I'm not intending to uphold his complaint. I'll explain why.*

*In his complaint, Mr C has made a number of detailed points and I've considered all those very carefully. But, in this decision, I will focus on what I consider to be the key issues. I'm well aware of how stressful the whole process has been for Mr C especially because he told us he had a lot to deal with during this time, as well as being chased by the car finance company.*

#### *Car valuation*

*Mr C said when he took out the policy, he told was told by Wakam that his car was worth £18,000 and in the event of loss or damage he would likely get this amount. He had stated on the insurance proposal that the value of his car was £16,000 and so this was very least he expected Wakam to pay him.*

*As our investigator has explained this service's role isn't to work out exactly what the value of an individual vehicle is. We look at whether the insurer has applied the terms of a policy correctly and taken reasonable steps to ensure a fair valuation was reached. Under the terms of Mr C's policy, Wakam must pay him a sum equal to the market value of the car, less his policy excess.*

*Market value is defined in the policy as:*

*"The cost of replacing a vehicle at the time of loss or damage, taking into account its make, model, age, mileage and condition."*

*Mr C provided examples of similar cars he found advertised online. It is correct that these vehicles were advertised for more than Wakam's valuation of Mr C's car. I have looked at the information he provided, none of these adverts show the vehicles mileage and therefore it's not a reasonable comparison.*

*The valuation of a used car isn't an exact science, and it's standard practice for the industry to use valuation guides to work out the estimated market value of a car. And it's not unreasonable that it does so, as the valuations the guides give are based on national research on likely selling prices of similar cars with similar age and mileage for sale at the time of loss. We usually find the valuation guides more reliable than individual adverts which can vary vastly in price and advertised prices can allow room for negotiations. They are essentially asking prices and not selling prices.*

*I therefore feel that the starting point when trying to establish the market value of a car is to look at the valuation guides, although I do consider any other evidence submitted to decide whether it was reasonable for the insurer to rely on the values produced by the guides*

*Our Investigator explained that our service takes the approach that when there's an even spread of valuations, we should look for the average. Having done that, he asked Wakam to increase the car valuation by £230. Our investigator's approach here wasn't correct. What we need to consider is whether the valuation reached by the insurer is reasonable and in line with the guides, unless there is sufficient evidence to suggest it would not be reasonable to rely on the valuations produced by the guides. In any event, our investigator also inputted an incorrect date of loss on one of the valuation guides and therefore the result wasn't reliable as it didn't reflect the valuation at the time of Mr C's loss which is what we should be considering.*

*I've independently checked three valuation guides myself. While one guide didn't produce any results due to the time which has now passed, I did obtain two valuations for cars of the same make, model, age, features, mileage, and condition as Mr C's car at the date of his loss. These valuations gave a range between £10,495 and £10,930. Ultimately Wakam offered £10,930, which was within this range. I think the approach Wakam took in valuing Mr C's car was fair. As I've said above, valuing second-hand cars isn't an exact science so I would expect there to be a range of values showing between the valuation guides, this isn't unusual.*

*Based on the evidence I've seen, I'm satisfied that Wakam treated Mr C fairly when valuing his car and I don't require it to increase its offer*

#### *Moving the car to a different location*

*Mr C is unhappy that Wakam moved his car from the police compound to salvage agents much further away before he had the opportunity to collect his belongings.*

*Mr C's vehicle was deemed a category S, which means it had structural damage that needed repairing. The engineer said it was beyond economic repair and so it was deemed a total loss. In this instance, Mr C's policy states that Wakam will pay the market value and the vehicle becomes Wakam's property. In any event, Mr C told us that he was considering accepting Wakam's offer and therefore he returned the V5 document and the car keys to Wakam. It was therefore reasonable for Wakam to take responsibility for what happened to the car when it was recovered.*

*Wakam told our service that when considering where to move a vehicle, it is dependent on logistics rather than distance. While there was a salvage agent yard closer to Mr C, it was an unmanned yard with more overflow and so it wasn't practical to send Mr C's car there.*

*I have also seen a copy of the police letter which confirmed that if the vehicle hadn't been collected within 2 weeks, the police would have disposed of it. Storage charges were also incurred while the vehicle was in police compound.*

*Taking all of the above into consideration, I think it was reasonable for Wakam to move the vehicle to a location of its choice and it hadn't treated Mr C unfairly by doing so.*

### *Personal belongings*

*Wakam confirmed that when a vehicle is recovered, it's checked by the attending recovery employee and any personal belongings found in the car would be stored by the salvage firm and Wakam would be notified. In this case, Wakam was not notified of any personal belongings being found in the vehicle. Wakam made further queries with the salvage agent and it confirmed no personal items were found and furthermore that because the vehicle was recovered from a police compound, all personal items would have been removed prior to the vehicle being collected by the salvage agent as per the police policy.*

*I understand how frustrating it must have been for Mr C to be told he could collect his belongings from the car and then to not have had the opportunity to check the car. However, I need to think about whether there's been any loss to Mr C as a result. I understand that Mr C says there were personal items in the car, and while that might have been the case, I've not seen any evidence that the items were still there when the car was recovered by the police or that Mr C made any contact with the police in an attempt to recover his items. I'm therefore not persuaded that Wakam has treated Mr C unfairly or that it has led to a loss to him. When a vehicle is usually stolen it's likely that personal belongings, especially items of value, would usually be taken during the theft.*

*I also agree with the investigator that Mr C's policy doesn't provide cover for loss or damage to personal items in the vehicle and so there's no cover under the policy for such losses.*

*In summary, having considered all of the above, I think Wakam treated Mr C fairly when dealing with his claim. I therefore don't intend to ask Wakam to do anything further.*

*Wakam has confirmed that no payment has been made to Mr C in respect of his claim. If Mr C accepts its offer, it will arrange payment upon receipt of the original V5 document (it currently only has a copy of the document). If Mr C therefore wishes to accept the offer made by Wakam for the loss of his car, he should contact Wakam directly.*

*I said I was intending to not uphold Mr C's complaint.*

*I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.*

*Wakam responded to say it had nothing further to add.*

*Mr C didn't respond with any further comments or information for me to consider.*

### **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 neither party has made any further submissions or provided further evidence for me to consider, I see no reason to change my provisional findings.*

*So, my final decision is the same as my provisional decision and for the same reasons.*

**My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 1 August 2023.

Ankita Patel  
**Ombudsman**