

The complaint

Mr M complains about the value One Insurance Limited (“One”) gave him for his car and the service he received following a claim under his motor insurance policy.

What happened

Mr M had a motor insurance policy with One covering his car.

His car was damaged in December 2022. It took about five days to recover his car due to the prevailing weather conditions.

Mr M requested a courtesy car from One under the terms of his policy. One said he could have a courtesy car if he first paid his excess. Mr M wasn’t able to do this until 23 December. One had a car delivered to him on 29 December.

About five days later, One assessed his car as being beyond economic repair. It said it would declare it a write-off and assessed its market value as £17,781, which later rose to £19,515.50 following further evidence from Mr M.

Mr M remained unhappy with One’s valuation and brought his complaint to this service.

Our investigator looked into his complaint and thought it would be upheld. She looked at the trade guides and said the amount offered by One was too low, and she thought it should be higher and in line with the approach taken by this service, plus interest. She also thought One should pay Mr M £250 for his inconvenience caused by its poor communication and information it gave him during his claim.

One didn’t agree with the view because it didn’t have access to the same trade guides used by this service. It asked us to use the two trade guides it had. Because it didn’t agree, this complaint has been passed to me for a final decision.

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.

I’m upholding Mr M’s complaint and I’ll explain why.

Car valuation

B has told this service it arrived at a valuation for Mr M’s car using trade guides.

The value it initially used was from one trade guide, and the value was £17,781.

When Mr M complained, One used a second trade guide showing a value of £21,250. The average of these two values was the amount it finally agreed to pay Mr M, which was £19,515.50.

I also research Mr M's car and I've found these values for the month his car was damaged, which are based on a vehicle with the same specification and mileage:

Company A: £22,055

Company B: £22,000

Company C: £21,250

Company D: £20,424

Both One's initial offer and its revised one fall outside the range of these values, so I don't think it's offered Mr M a fair value.

The average of the values listed above is £21,432.25. From the information I have, I think that's a fair valuation for Mr M's car and I can see he's accepted this value.

I also think it's fair One pay interest at 8% simple on this amount, from the date it declared the car was written-off to the date payment is made. If it's made an interim payment, this amount can be adjusted.

Claims service

Mr M has explained to this service about his frustration with One's services and procedures. I can see he's spent a great deal of time waiting for calls to be answered, and One's approach to providing him with a courtesy left him without transport for a period of time.

Mr M has said he wasn't able to get to work, so he lost earnings during the Christmas period. I've not seen evidence of his lost earnings, so I'm not able to consider this further.

But I've read the file about One's provision of a courtesy car with interest. It told Mr M it would only provide the car if he paid his excess upfront. And as Mr M couldn't afford this, he wasn't able to get a courtesy car until later despite him being entitled to one under the terms of his policy.

I've looked at his policy wording with One and I can't see that it requires him to pay upfront for this at all. Its wording specifically says that the excess is paid when Mr M's car is collected by him following repair:

"When repairs are completed, arrangements will be made for you to collect your car (or for the car to be redelivered to your home). When you collect the car you will need to pay the repairer any policy excess or contribution which may be applicable, details of your excess can be found on your schedule and will be confirmed to you before repairs are completed."

So I don't think it's fair that One told him to pay his excess upfront.

I've thought about One's service to Mr M and I understand his disappointment and frustration. I've considered this in line with this service's recommendations on compensation and I think a payment of £250 for his distress and inconvenience would be appropriate.

My final decision

It's my final decision that I uphold this complaint.

I direct One Insurance Limited to:

- Settle Mr M's claim with a market value of £21,432.25, subject to the terms and conditions of the policy. Interest at 8% simple should be added from the date One decided the car was written off to the date payment is made. If an interim payment has been paid, this amount can be adjusted.
- Pay Mr M £250 for his distress and inconvenience.

One Insurance Limited must pay the amount within 28 days of the date on which we tell it Mr M accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 December 2023.

Richard Sowden
Ombudsman