

The complaint

Miss B complains about how Ageas Insurance Limited ("Ageas") handled a claim on her motor insurance policy.

What happened

Miss B had a motor insurance policy with Ageas covering her car. She bought her policy from a broker, who I'll refer to as "S".

In October 2022 she was involved in a collision, damaging her car. The third-party admitted responsibility.

She reported the claim to S, which passed her to a third-party company who carry out accident management and credit hire services. I'll refer to this company as "A".

Her car was assessed as being beyond economical repair by A.

A wasn't able to continue with the claim because the third party stopped responding, so it told Miss B to claim from Ageas. Miss B contacted Ageas about 3-4 months after the collision.

Ageas offered Miss B a settlement of £2,510 for her car, and it made a deduction of £300 for 'salvage'.

Miss B wasn't happy about the value she'd been offered or the deduction of the salvage amount and she complained about this and Ageas' service including its response to her complaint.

Ageas didn't uphold her complaint about the valuation and the salvage deduction, and she brought her complaint to this service.

Our investigator looked into her complaint but Ageas didn't respond to her enquiries. So she issued her view on the evidence she had available. She thought Ageas' valuation of her car was fair and that it'd made the correct deduction of £300 for the salvage. She also said it needed to pay interest on the settlement figure at 8% simple.

Miss B didn't agree with the view. Because Miss B didn't agree, her complaint has been passed to me to make a decision.

I issued a provisional decision to clarify what I was able to provide a decision on, and to change the outcome:

Miss B has found herself in a complex situation involving several companies and she has my sympathy for trying to deal with multiple parties during a stressful time.

It's important that I explain to Miss B what matters I'm able to make a decision on.

Miss B's approach to this service is solely about Ageas. It may help if I say that Miss B's car

insurance policy was with Ageas. I'm considering whether Ageas' actions were fair and reasonable and in line with the terms and conditions of that insurance policy.

Ageas didn't know about claim until Miss B told it in late January 2023, over three months after the collision happened. So it's not fair of me to say it was responsible for any delays or events that happened before that time.

In her complaint, Miss B mentions that Ageas didn't agree to the same valuation as A; and that Ageas said she wasn't entitled to a hire car, but A said she was. I'm not able to say whether A's actions were fair as that's not the subject of this complaint.

It's crucial that Miss B understands it would be unfair of me to compare Ageas' actions to those of A, because A and Ageas aren't linked, and A's operation is entirely different and has a different focus. All while remembering that Ageas didn't know about the claim during the time Miss B was discussing it with A.

For example, I can see Miss B complained about Ageas not paying her for her car in mid-February 2023, because she said she'd "agreed a settlement figure" in December 2022. But she'd agreed that amount with A, not Ageas. Ageas aren't bound by another company's actions and are free to negotiate the value of Miss B's car with her.

I would say that if Miss B wishes to make a complaint about A's service, or S referring her to A, then she's free to do so and she may find she can access an appropriate dispute resolution service or ombudsman if she remains unhappy with their response.

Miss B has also expressed her disappointment that Ageas failed to understand what her complaint was about, and that it responded incorrectly.

Throughout Miss B's complaint, and her subsequent approach to this service, Ageas has provided very little usable information.

It finally responded to this service's requests in August 2023 and said it had sent payment to Miss B, without including interest, after this service requested it. But it didn't provide any further information in response to the questions we asked.

Looking at the evidence I've been supplied, I'm proposing to uphold Miss B's complaint and I'll explain why. I'm issuing this as a provisional decision in an effort to clarify the main parts of Miss B's complaint.

Miss B said in July 2023 that her: "complaint wasn't about the valuation, it was that they are refusing to send [her] the full valuation and deducting an amount of £300"

I've said above that I can't comment on A's valuation of the car, and Ageas aren't bound by A's opinion. But what I can do is establish whether Ageas' valuation is fair. This service's approach is to use trade guides, and I can see that Ageas's offer of £2,510 for her car is in the range of trade values I have access to. So I think Ageas' offer is fair and reasonable.

But it also needs to pay interest at 8% simple from the date Miss B told it about the claim, to the date it made payment.

It's also apparent that Ageas deducted £300 from the payment due to 'salvage' which would mean that Miss B retained the written-off car, so the amount she'd receive would have a deduction of the written-off car's value.

But Miss B has said she doesn't have the car, A wrote it off and apparently disposed of it. So

I don't think it's fair that Ageas deduct the £300. I think it should pay this amount to Miss B, plus interest at 8% simple from the date she told it about the claim to the date it makes payment.

I've thought about the impact of Ageas' service on Miss B throughout her claim. It's important that I remind Miss B that Ageas didn't know about her claim until January 2023 and so while I can appreciate she'd been inconvenienced since October 2022, I can't reasonably say the first few months of that were Ageas' fault.

I can also see that Ageas offered Miss B an interim payment in its final response, but Miss B didn't take that option. I know Miss B has said she'd borrowed money to fund a replacement car in the meantime, but it seems to me that there was an offer from Ageas to pay her a substantial part of her car's value which might have meant she didn't need to borrow money.

But I also don't think Ageas has done enough here and Miss B's distress caused by its claims service is clear. I've considered this service's guidelines on compensation and I think a payment of £200 for her distress is appropriate.

Responses to my provisional decision

Both parties accepted my provisional 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.

As both parties accepted my provisional decision, my final decision and reasoning remains the same.

My final decision

It's my final decision that I uphold this complaint. I direct Ageas Insurance Limited to pay Miss B:

- 8% simple interest on the settlement figure it paid her, from the date she told it about the claim to the date it made payment.
- £300 in respect of the deduction for salvage. Interest at 8% simple should be added to this from the date she told it about the claim to the date it makes this payment.
- £200 for her distress and inconvenience.

Ageas Insurance Limited must pay the amount within 28 days of the date on which we tell it Miss B 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 Miss B to accept or reject my decision before 22 December 2023.

Richard Sowden
Ombudsman