

## **The complaint**

Mrs C has complained about Ageas Insurance Limited. She isn't happy about the deductions made from her settlement when her car was written off after a claim under her motor insurance policy.

## **What happened**

I looked at this case and provided my initial thoughts in my provisional decision as follows;

*Mrs C made a claim under her motor insurance policy and her car was subsequently written off. Ageas looked into the claim and looked to pay Mrs C the market value of her car (£3,730) but deducted £1,350 for pre-existing damage to her car. But Mrs C wasn't happy about the deduction and the service provided and complained to Ageas and then this Service as it maintained its position.*

*Our investigator looked into things for Mrs C but didn't uphold her complaint. She thought Ageas had provided a fair market value of Mrs C's car and acted fairly in making a deduction for pre-existing damage (50% of the total repair cost).*

*As Mrs C didn't agree the matter has been passed to me for review.*

## **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.*

*Having done so I've come to a different conclusion to our investigator, and I want to give both sides the opportunity to comment before finalising my position.*

*I can understand why Ageas made the deductions it did for pre-existing damage and only charged 50% of the total costs its engineer thought it would cost to repair the pre-existing damage. However, I think this has produced a particularly harsh outcome in the particular circumstances of this case. I'll explain why.*

*Mrs C's car is a 2008 model, and I would expect it to have some low-level minor scrapes and scratches given its age and model. And having looked at the photographs and report Ageas took of the car (which it hasn't provided to Mrs C, even in redacted form, despite numerous requests) I don't think it has treated her fairly. The damage sustained as part of the incident the car was involved in was clear, but the additional scratches are, in the main, very minor. And ordinarily older cars, like Mrs C's, low level scratches are accounted for in the valuation of the car, so I think the fair and reasonable thing to do here is for Ageas to pay the market value of Mrs C's car. Had Mrs C's car been relatively new then the deductions would be fair but not in a car that is over 15 years old.*

*Mrs C only bought the car about a year before this incident, and I wouldn't be surprised if most of the minor scratches referred to were on the car at that time. I can see an argument for making a reduction for the seat damage identified in the photographs as this seems to go*

*beyond what you would expect to see in a car of this age. However, I can't tell from the photographs what the level of damage beneath the tape is and Ageas has redacted its costings. And so, I think this damage should be covered as a gesture of goodwill and as a contribution towards compensation for the poor service Mrs C seems to have faced.*

*Given this, I think the fair and reasonable thing to do, in the particular circumstances of this case, is to pay Mrs C the full market value of her car less the policy excess. And Ageas should pay 8% simple interest for the time she has been without the money owed.*

## **Replies**

Both sides responded accepting the position outlined in my provisional decision. Ageas simply said it accepted the position and didn't comment. While Mrs C said the damage to the driver's seat was minor in that there was a small crack in the plastic casing underneath the tape which would have been easy to fix. And she said that any pre-existing damage was reflected in her purchase price originally.

## **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.

Having done so I remain of the view that the complaint should be upheld. And as both sides have accepted my position I don't propose to go over the details again now.

Given this, I'll simply reiterate that the fair and reasonable thing to do, in the particular circumstances of this case, is for Ageas to pay Mrs C the full market value of her car less the policy excess, plus interest.

## **My final decision**

It follows, for the reasons given above, that I uphold this complaint. I require Ageas Insurance Limited to pay Mrs C the full market value of her car, less the policy excess. And pay 8% simple interest for the time she has been without the money owed from the date of claim until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 12 March 2024.

Colin Keegan  
**Ombudsman**