

## The complaint

Mr U complains that his commercial vehicle insurer, Accelerant Insurance Europe SA/NV UK Branch ('Accelerant'), undervalued his car after it was declared a total loss. He is also unhappy about the delays in his claim being progressed and wants to be compensated.

## What happened

I issued a provisional decision on this complaint last month where I said I was considering awarding Mr U £300 compensation for the distress and inconvenience he suffered as a result of Accelerant's delays. An extract from that decision follows:

*"Mr U's car was severely damaged after it caught fire in late December 2023. Mr U reported the incident to Accelerant immediately and it acknowledged it the following day and asked if he wanted to make a claim. Mr U confirmed he did, and he also mentioned that he tried to call Accelerant but couldn't get through. He mentioned he thought the car would be a write-off and said it would need to be recovered and disposed of. He asked if he could hire another car and said he estimated his car was worth around £5,000. He also provided Accelerant with details of the car's location.*

*Two days later, on 20 December 2023, Mr U wrote to Accelerant to say that he had been informed by the police that the car had to be collected by 26 December 2023. Accelerant responded on 2 January 2024 to ask Mr U whether the Fire Brigade had attended and if he had a report. Mr U asked why he hadn't been asked for this information earlier and asked whether his car had been recovered.*

*On 5 January 2024 Accelerant responded to say the car had yet to be recovered and asked Mr U for his car documents and a bank statement. The email bounced back and was resent on 19 January 2024.*

*Accelerant paid for the fire report on 8 February 2024. The car was recovered on 19 February 2024.*

*In the meantime, Mr U raised a complaint as he was unhappy about the delays in his claim being progressed. He also mentioned that he hadn't been able to work due to not having his car.*

*On 23 February 2024 Accelerant asked Mr U for the last two years' of service and maintenance records. On 29 February 2024 its engineers carried out a desktop valuation and valued the car at £4,300. It put this offer to Mr U on 3 March 2024 which he rejected and said he felt that £4,999 was a fairer valuation. Accelerant considered adverts provided by Mr U for similar cars to his, which were advertised for £4,999 and above, but it didn't*

*consider them to be persuasive evidence of the car's value. It provided its own adverts for £3,490 and £3,500. It also issued Mr U with an interim payment on 6 March 2024.*

*Accelerant considered Mr U's complaint and upheld it in part. It apologised for the delay in responding to initial correspondence and said this was due to the incident being close to the holiday season. It also said its agents weren't able to contact the storage yard where the car was until 19 February 2024 and were therefore not able to take photographs of the car until then. It offered Mr U £150 compensation for the delays he suffered.*

*Mr U didn't agree and brought his complaint to us. He said he believed a reasonable market value for his car was £5,500. He also said he suffered a loss of earnings due to the delays and was caused a lot of distress and anxiety. He said he wanted £1,500 compensation for the delay, £1,200 for the shortfall in the valuation and £2,640 in lost earnings over the eleven weeks between the incident and the date of settlement at £240 per week.*

*One of our investigators reviewed the complaint and agreed that Accelerant's offer of £150 was fair and reasonable in the circumstances. She didn't think that Mr U was entitled to a loss of earnings claim as it wasn't something his policy covered. She added that she had consulted motor trade guides and thought the £4,300 valuation was fair and reasonable. She didn't think the adverts provided by Mr U were persuasive evidence that the market value should be higher.*

*Mr U didn't agree and asked for an ombudsman's decision. He said Accelerant is under a duty to perform its services with reasonable care and skill. He repeated that Accelerant caused delays which caused him distress and inconvenience and felt its offer of £150 was inadequate. He added that even though the policy doesn't cover loss of earnings this is something we should consider awarding as it is a consequence of Accelerant's unreasonable delays and poor service. He requested £500 compensation for distress and inconvenience, £3,000 for loss of earnings and a reassessment of his car's market value to £5,000.*

*The matter was then passed to me to decide. Before I proceeded with my decision, we went back to Mr U to ask for some further information. We asked whether he had use of another car and whether he hired one. He said he did not have another car and had to get lifts from others. He also said he wasn't able to earn during this time. He added that he had to insure his spouse's car instead. He also provided some further information with regards to his loss of earnings claim.*

### **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.*

#### *The policy*

*Mr U has a private and public hire insurance policy with Accelerant. It includes cover if his car is damaged in a fire. The policy says that Accelerant will either pay to repair the damage or the current market value of the vehicle.*

*The policy defines market value as:*

*“The cost of replacing your vehicle with one of similar type, age, mileage and/or condition at the time of the loss as assessed by us. We use guides... which refer to vehicle values, engineers and other relevant sources to assess the market value.”*

### *The valuation*

*Our service has an approach to valuation cases like Mr U's that has evolved in recent times. When looking at the valuation placed on a car by an insurance company, I consider the approach it has adopted and decide whether the valuation is fair in all the circumstances.*

*Our service doesn't value cars. Instead, we check to see that the insurer's valuation is fair and reasonable and in line with the terms and conditions of the policy. To do this we tend to use relevant valuation guides. I usually find these persuasive as they're based on nationwide research of sales prices.*

*Accelerant used one of the four motor guides we use. We consulted the remaining guides. The guide Accelerant used produced a value of £4,300. I've also reviewed the valuations our investigator obtained, and the guides returned values of £3,793, £3,773 and £3,769. I think the valuations are fairly close to each other and I, therefore, didn't consider any to be an outlier. So, I haven't discounted any of them though I appreciate that the three lowest valuations are closer to each other than the highest- £4,300- valuation.*

*Accelerant valued Mr U's car at £4,300 which is the value it got from the guide it used which is also the highest of all the trade guide valuations. Mr U believes the valuation should be higher.*

*Mr U provided adverts for cars valued at £4,999 and above, which I have considered. The £4,999 advert shows a car of similar make and model as Mr U's but with only one previous owner whereas Mr U's car had four. I think it's likely that the number of previous keepers would affect the car's value, so I didn't consider this to be persuasive evidence in support of Mr U's argument that the car is worth over £5,000. Also, the price that a car is advertised for isn't necessarily the price it will sell for which is often lowered further to negotiation. The remaining adverts were for cars which had much lower mileage than Mr U's so I have again discounted them.*

*Accelerant has also provided adverts in support of its valuation being fair. The adverts were for £3,490 and £3,500. The two cars in the adverts have lower mileage than Mr U's and one of them has four previous keepers and the other has three. I think these adverts are more persuasive than the ones provided by Mr U and they support the lower valuation provided by Accelerant.*

*Looking at the valuations produced by the guides I'm persuaded that Accelerant's offer of £4,300 is fair. This is because it is the highest of the four trade guide valuations. Also the further evidence provided by Accelerant indicates that its offer is fair and would enable Mr U to replace his car with a similar one for the amount offered.*

*Given there isn't any other relevant evidence to persuade me that a valuation in line with the higher valuations produced is inappropriate and to avoid any detriment to Mr U the highest valuation produced by the guides is my starting point. And considering the overall variation of the values produced I consider that Accelerant's offer of £4,300 represents a fair market valuation.*

#### *Accelerant's service*

*Mr U has complained about delays and the lack of progress when it came to his claim. He said this meant that he wasn't able to replace his car sooner which led to him suffering a loss in his earnings.*

*Accelerant accepted that its service wasn't always good and offered Mr U £150 compensation.*

*The incident happened around the middle of December 2023 and the total loss wasn't settled until March 2024. This is longer than what we would expect for a total loss settlement. Accelerant said that this coincided with the holiday period which would have led to further delays. Though I appreciate this I think there were also periods, outside of the holidays, where not much progress was made. These include Accelerant's delay in resending its 5 January 2024 email to Mr U which it didn't resend until 19 January 2024. I think there was also a delay in Accelerant requesting the fire report which it didn't do until 8 February 2024. I think Accelerant could have also requested details such as Mr U's service log sooner.*

*Overall, though I appreciate that the holidays would have been a factor, as well as issues such as having to apply for a Fire Service report which doesn't often happen in other total loss cases, I think Accelerant did cause delays. I think these delays would have added to the overall stress of Mr U's car being destroyed in a fire and not being able to use it for work.*

*In the circumstances I think it is fair and reasonable that Accelerant pays Mr U £300 for the distress and inconvenience it caused him.*

*Mr U says that as he wasn't able to use his car he wasn't able to work and therefore suffered a loss of earnings. As our investigator pointed out Mr U's policy does not cover him for any loss of earnings claims or for the cost of alternative transport or a courtesy/hire car. Nevertheless, this is something we could award if we felt it was fair and reasonable to do so in the specific circumstances of the complaint. And we would have to be provided with particularly persuasive evidence to make us ask the insurer to step outside the policy terms and cover something it wouldn't otherwise have to.*

*In the specific circumstances I am not minded to make a loss of earnings award and I will explain why. As I said above, I think the claim would have taken some time to resolve in any event so Mr U would have always found himself without a car for a period of time. And I think it's likely that this claim would have taken longer than a usual total loss claim bearing in mind the delays caused by the holidays and the added complexities due to this being a fire claim which meant the involvement of other parties such as the Fire Brigade. I've also borne in*

*mind that there is a duty on Mr U to mitigate or minimise his losses. In this case this may have meant Mr U hiring another car so he could carry on working.*

*Mr U has provided screenshots of his account which show what he earned per week which varied from one week to the next. For example, the week before the accident he earned £65.31 but on other weeks he would earn £165.12 and sometimes a lot more. On the whole, I haven't seen enough evidence to be persuaded that Mr U's loss of earnings was purely down to Accelerant's actions or to be able to say what his loss of earnings would have been had he had his car. As I said above, he would have been without a car for a period of time in any event. Furthermore, I haven't seen any evidence of mitigation and I've also borne in mind that, as someone who is self-employed, Mr U might be able to recoup lost earnings later on which might mean there is no overall loss of earnings.*

*As I said above, I'd have to be persuaded that Accelerant's handling of the claim was particularly poor to warrant requiring it to pay something that the policy doesn't cover and I don't think this was the case here. I do think that Accelerant caused some delays and I think the £300 award I am considering making represents a fair overall compensation for Mr U."*

Both parties responded and 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, I see no reason to change any of the findings I made in that decision. My provisional findings along with any further comments here are now the findings of this my final decision.

### **My final decision**

For the reasons above I am upholding this complaint and requiring Accelerant Insurance Europe SA/NV UK Branch to pay Mr U £300 compensation overall (so if it has already paid him the £150 it must only pay a further £150) for the distress and inconvenience it caused him by its delays.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 12 November 2024.

Anastasia Serdari  
**Ombudsman**