

The complaint

Mr A has complained about his taxi insurer, Sabre Insurance Company Limited. He is unhappy with the valuation it applied to his vehicle when it found it to be a total loss following a fire. He is also unhappy that he was told he'd have a chance to retrieve personal belongings, but then found out that the car, along with its contents, had been crushed.

After Mr A complained to the Financial Ombudsman Service, Sabre offered a further settlement under the policy for "accessories". With the policy defining "accessories" as audio visual and radio equipment and the like which are fitted to the vehicle. The policy offers cover for both the damage to the vehicle itself – potentially settled for by payment of the car's market value – and its damaged accessories. Mr A's complaint here is about the market value settlement and the personal possessions he lost, such as sunglasses and paperwork. So he isn't complaining that Sabre failed to cover his vehicle's accessories. As such, I won't comment on Sabre's offer to settle with Mr A for fire damaged accessories in this decision. If Mr A would like Sabre to pay him the sum offered of £250, or if he has any concerns about it, he should speak to it in the first instance.

What happened

Mr A's taxi caught fire in May 2024. He made a claim to Sabre and it began investigating the matter. At the end of June, the police told Sabre there was no police report available. Sabre decided to settle the claim as one of total loss (the car was extensively fire damaged). On 10 July 2024 Sabre offered a settlement to Mr A based on what it said was the market value for the vehicle.

Sabre said the car's market value was £2,704 (with excess and premium sums to be deducted). Mr A said that was not enough – it would cost around £6,000 to replace his vehicle. Sabre, referring to another engineer, reviewed Mr A's evidence and the value it had ascribed. It was satisfied its value was fair. Mr A remained unhappy.

Mr A was also unhappy as he had asked Sabre for personal items in the car to be returned to him. Sabre said he would have an opportunity to do that. However, the car was crushed without Mr A having that opportunity. Sabre apologised to Mr A. With it also later offering £150 compensation for Mr A's loss of expectation. It maintained any items in the car were most likely damaged beyond repair by the fire. Mr A remained unhappy, he wanted Sabre to pay the replacement cost for all his lost items.

When Mr A complained to the Financial Ombudsman Service, our Investigator considered matters. She was satisfied the market value Sabre had ascribed was fair and reasonable. She was also satisfied that its apology and offer of compensation regarding the lost personal items were fair and reasonable.

Mr A said he still wasn't happy with Sabre's market value figure. He asked for an Ombudsman's 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.

Having done so I find my view is the same as that expressed by our Investigator. I've set out my reasoning below and trust this will help Mr A understand why I think Sabre has acted fairly and reasonably to resolve his claim and complaint. However, as Sabre's fair and reasonable offer regarding the complaint about personal possessions was only made after Mr A complained to this Service, I will be issuing a direction for it to make that payment.

Market valuation

Mr A's policy offers him cover for the market value of the vehicle. The market value, defined in the policy, doesn't include things like the cost of plating the vehicle for taxi use.

The market value Sabre agrees to pay under the policy in the event of a total loss is the cost of a similar car in terms of things like age, make and mileage. Mr A's car was registered in 2008 and had travelled in excess of 300,000 miles at the point of the claim.

Sabre initially had an engineer assess Mr A's vehicle. There was no doubt it should be a total loss – given the extent of the fire damage. The engineer referred to several trade guides to try and establish a market value for the vehicle – but given its age, only one guide (P) returned a value. P's value was recorded by the engineer as £2,704. When Mr A complained, Sabre had another engineer review everything, including adverts Mr A had submitted. The second engineer felt the market value of £2,704 was fair and reasonable.

I've considered the second engineer's report. I find it persuasive – for example it explains why Mr A's adverts are not felt to be persuasive evidence of the market value being around £6,000.

I note our Investigator checked the trade guides. Other than P, none returned a value for Mr A's car. I think that is likely due to its age. The value P returned when our Investigator ran her checks was less than that recorded by the first engineer in his report. Values can fluctuate over time, so the value having reduced by the point of Investigator's checks doesn't mean the engineer's recorded value is likely unreliable. I'm satisfied that the first engineer likely recorded the value correctly when assessing the claim. In any event I'm also mindful that value was checked by a second engineer.

So two engineers have said a fair market value is £2,704 and supported that with evidence of sale adverts for younger cars for sale at lower values. I've also considered Mr A's adverts. However, like the second engineer and our Investigator, I note that two of the three adverts provided by Mr A don't show any mileage for the advertised vehicle. The third advert shows a car for sale of similar age and mileage to Mr A's, for sale at £6,995. However, given the adverts and professional opinions provided by Sabre's engineers, I'm not persuaded I can reasonably view that sole advert as persuasive evidence of the car's market value being higher than £2,704.

I note what Mr A says about taxi licensing rules – that his area requires only newer (post-2017) cars are registered. I appreciate that Mr A will have to pay more to obtain a car of that age. But that isn't something his policy with Sabre offers him cover for.

Having reviewed everything, I'm satisfied that the market value Sabre ascribed to Mr A's car of £2,704 was fair and reasonable. So I'm not going to require it to amend that figure.

Personal possessions

Sabre has admitted that it gave Mr A incorrect advice about his belongings. It has accepted that, as a result, when he found out he would not be able to retrieve them, that he was caused upset. It's offered £150 for that. I note it has also apologised. I think that is fair. I'll require Sabre to pay Mr A £150.

I know Mr A would like to receive payment for all his items that were in the car. He's said there was a lot of "stuff" including a phone, a card reader, sunglasses, paperwork and a box. However, I haven't seen anything that makes me think these items most likely survived the fire, in a usable or valuable condition, only to be crushed with the car. I think Sabre likely had a point when it said that it's unlikely that any items, in the car at the time of the fire, would have been salvageable. So I don't think that Sabre, crushing the car before Mr A had a chance to retrieve his items, has materially damaged his position.

Putting things right

I require Sabre to pay Mr A £150 compensation.

My final decision

I uphold this complaint. I require Sabre Insurance Company Limited to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 6 February 2025.

Fiona Robinson
Ombudsman