

## **The complaint**

Mrs D complains First Central Underwriting Limited (First Central) unfairly settled her claim after her car was stolen.

First Central are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As First Central have accepted it is accountable for the actions of the intermediary, in my decision, any reference to First Central includes the actions of the intermediary.

## **What happened**

Mrs D made a claim on her motor insurance policy after her car was stolen in June 2024.

First Central made a total loss settlement offer of £17,870 less the policy excess.

Mrs D was not happy with the settlement amount. She said this didn't reflect the true cost of her car. She said the car had expensive additional options on it, and she felt it was worth a lot more than First Central's offer.

Because Mrs D was not happy with First Central, she brought the complaint to our service.

Our investigator did not uphold the complaint. They looked into the case and said First Central's offer was within 3% of the highest guide price and therefore in line with our services approach to valuation complaints.

As Mrs D is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

## **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.

In this case I have considered if First Central acted fairly and reasonably in reaching its decision as to the level of settlement offered to Mrs D following her car being stolen.

My role is not to provide an exact valuation but to make a judgment as to whether the offer of settlement is fair.

Although this service doesn't value vehicles, we do check that the insurer's valuation is fair and reasonable and in line with the terms and conditions of the policy. We use valuation guides to do this, and they're based on nationwide research of likely selling prices and take the car's specifications, mileage etc into account.

This service doesn't consider the question of market value to be an exact science, however

our general approach is that the valuations given in the main motor valuation guides provide the most persuasive and consistent evidence. These guides are based on extensive nationwide research of likely (but not actual) selling prices.

I firstly looked at the details within Mrs D's motor insurance policy with First Central. It says;  
*"Market value*

*The cost of replacing your car with one of a similar make, model, age, mileage and condition based on market prices at the time of the accident or loss. This may not be the same price you originally paid for your car or the value you declared on the Statement of Fact.*

It also says;

*"Settling your claim*

*The insurer will not pay more than the market value of your car at the time of the loss or damage, less the total excesses and any unpaid premium."*

Prices of used cars can change on a regular basis. This could be an increase or decrease. This is the reason why we take the approach that if First Central can demonstrate, that it used a fair process to value the car then we wouldn't interfere with the offer it has made.

I looked at the information First Central used when calculating the market value for Mrs D's car. I saw it obtained valuations from three of the main valuation guides. In this case First Central offered £17,870 I saw First Central made an interim payment based on this settlement amount to Mrs D on 30 July 2024.

I looked at the valuations our investigator obtained. They used four of the main valuation guides. The highest of these four valuations was £18,039 and the lowest was £16,650

I understand Mrs D thinks the valuation should be closer to £22,000 because her car included some extras. And because she bought her car from an approved manufacturer dealership this increases the value of the car. However I have seen the valuations obtained by our investigator were bespoke and included the depreciated value of the point of sale extras mentioned by Mrs D.

Based on the evidence I have reviewed, as First Central's settlement offer was within 1% of the highest valuation obtained by our service, I am unable to fairly tell it to increase its settlement offer.

Although I recognise Mrs D will be disappointed, I don't uphold her complaint and don't require First Central to do anything further in this case.

### **My final decision**

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 25 February 2025.

Sally-Ann Harding  
**Ombudsman**