

The complaint

Mrs M complains about the way Frist Central Underwriting Limited handled her motor insurance claim and disputes the sum it offered for her car's total loss.

What happened

Mrs M told First Central that on 12 June 2024 another driver had collided with the rear driver's side of her car when she was proceeding correctly onto a roundabout. She said he'd 'come from nowhere' at speed and had admitted liability at the scene. Initially she said her solicitor was dealing with the case, but on 27 June 2024 she asked First Central to do so.

When First Central contacted the other insurer, it said the other driver had said Mrs M had pulled out into his path, so liability was disputed. First Central's engineer said her car wasn't economically repairable, so it offered Mrs M £3,311 for the car's total loss. Later, it raised the sum to £3,650 – which Mrs M accepted on 11 July 2024. But she had also complained about not having a courtesy car and said First Central hadn't deal with her personal injury claim.

First Central told Mrs M it was in contact with the other insurer about liability for the accident. It said a courtesy car wasn't provided under the policy unless a car was being repaired. It noted that she'd accepted its total loss offer (and said it had delayed the car's collection by a salvage firm until the sum was paid, as she wasn't happy for that to happen earlier). It pointed out that she'd said her solicitor was dealing with the case initially, so Mrs M should contact its claims team if she wanted help from it now with a personal injury claim.

One of our Investigators reviewed Mrs M's complaint. She thought First Central's offer was in line with the sums quoted in the national motor valuation guides and was reasonable. She said the policy only provided car replacement by First Central for new cars. She pointed out that the policy didn't provide courtesy car cover in a total loss situation. And she said Mrs M had been advised what to do if she wanted to pursue her medical claim. Mrs M said the Investigator had just rubber-stamped First Central's decisions. She then provided three adverts showing higher asking prices for cars she thought were similar to hers, but the Investigator noted that they all had much lower mileage.

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 decision I'll cover what I think are the major issues raised in Mrs M's complaint, but I've considered everything provided by the parties. Mrs M has made it clear that she doesn't think we are an independent service, and she seems to think we have an arrangement with First Central under which we will find in their favour. I can assure her that isn't the case. My decision is based solely on my understanding of all the available evidence.

I think it was reasonable for First Central to treat the car as a write-off, as the damage to it would have cost an estimated £7,326 to repair. The policy provides for a market value sum

to be paid to a consumer in these circumstances. On 2 July 2024 Mrs M said she wanted £4,150 for the car, although she accepted £3,650 on 7 July 2024. We checked the national motor valuation guides to see if that sum was in line with the sums quoted in them. We think the guides are usually the best way to determine a car's likely market value, as their valuations are based on extensive nationwide research and are updated regularly. The highest valuation in the guides was £3,720, which is just £70 below the sum paid to Mrs M.

In November 2024, First Central offered Mrs M a further £70 to resolve her complaint, which she declined. I think the sum paid to Mrs M for her car was reasonable, as it's so close to the top valuation guide. If a consumer can show by other means (such as adverts) that the valuation guides may be wrong, we may require an insurer to pay more. But I don't think the adverts Mrs M provided are persuasive. Two of the three cars in question were advertised at around £4,700 and £4,995 – more than Mrs M thought her car was worth initially and nowhere near the guides' valuations. Both had *considerably less mileage* than Mrs M's car, so on that basis alone I don't think they're comparable to hers. The third car was advertised at £3,995 – only £345 more than Mrs M was paid – with 17,000 fewer miles on the clock. And adverts only show *asking* prices, so cars often sell for less than the prices shown.

Although Mrs M wanted First Central to buy her a car to replace hers, that's not how the policy works - unless a consumer has a car that's less than one year old. As stated above, it's obliged to pay a consumer their car's market value, and I think that's what it did.

The policy didn't entitle Mrs M to a courtesy car given that her car wasn't going to be repaired. Had Mrs M asked First Central to deal with her claim for damage from the start, and had she also told it she wanted to pursue a personal injury claim, I think it would have done so at that time. Once Mrs M asked for assistance, I don't think there's anything to show that First Central delayed in dealing with the liability / total loss situation - and Mrs M was asked to contact the claims team about the personal injury claim.

I don't think Mrs M has been able to show that First Central acted unreasonably in its handling of the claim or in its valuation of her car. So although I know she will be disappointed with my decision, I'm not able to uphold her complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 5 May 2025.

Susan Ewins
Ombudsman