

The complaint

Mr K has complained about the amount Wakam has paid in settlement of his claim under his car insurance policy. And about the way it handled his claim and its decision not to renew his policy.

Any reference to Wakam includes its agents.

What happened

Mr K's car was written-off in an accident. Wakam based its claims settlement on a market value of £12,100. Mr K thought this was too low and that it didn't reflect the extras his vehicle had. He complained to Wakam, but it wouldn't alter its position. Mr K also complained about the delay on Wakam's part in dealing with his claim. Wakam then said it wasn't going to renew Mr K's policy. He raised a concern about this. But he didn't respond to Wakam's offer to consider a complaint about it.

Mr K asked us to consider his complaint about the abovementioned issues. One of our investigators considered his complaint. She didn't think it should be upheld. She said she was satisfied the amount Wakam had paid in settlement of Mr K's claim was based on a fair market value. She also didn't think there'd been any unnecessary delays on Wakam's part in dealing with Mr K's claim. And that its decision not to offer renewal was reasonable in the circumstances.

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've decided not to uphold it for the same reasons as our investigator.

Mr K's policy required Wakam to settle his claim based on the market value of his car at the point it was damaged. This is defined in the policy as the cost of replacing his car with one of a similar type, age, and/or condition immediately before his car was damaged. I think the valuation guides are the best way to check what the replacement cost would have been because they are based on research conducted across the market of adverts and likely selling prices. And the highest value provided by the guides is £12,100. I appreciate Mr K's vehicle had some optional extras and some things he'd added. But I'm satisfied that a market value of £12,100 is enough to reflect these. In reality, the sort of extras Mr K's car had and the fact it had recently had a special service have little impact on the likely selling prices of second-hand cars.

I've also considered the adverts Mr K provided, but these weren't for vehicles with the same mileage as his, so they do not alter my opinion that £12,100 is a fair market value.

I can see Wakam made its offer to settle Mr K's claim based on a market value of £12,100 fairly quickly. And the only reason it took longer for it to pay the settlement amount was that Mr K didn't accept it. So, I do not consider it would be fair to hold Wakam responsible for the

late payment of the settlement amount. This is because the first offer Wakam made was fair and if Mr K had accepted it then Wakam would have paid the amount due straight away.

Mr K hadn't complained to Wakam about its decision not to offer to renew his policy when he asked us to consider his complaint. But Wakam has not objected to us considering this. So, I've done this, and I'm satisfied with its explanation that it was due to a change in its acceptance criteria. And it's Wakam's decision to decide what risks it wants to accept. So, there's nothing to suggest it failed to exercise its legitimate commercial judgement in its decision not to offer renewal to Mr K.

My final decision

For the reasons set out above, I've decided not to uphold Mr K's complaint about Wakam.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 28 April 2025.

Robert Short
Ombudsman