

## **The complaint**

Mr K complains that U K Insurance Limited trading as NIG Insurance (“UKI”) gave him incorrect information and the amount it valued his vehicle for following a claim under his motor trade insurance policy. When I mention UKI I also mean its engineers and assessors.

Mr K is represented in his complaint by his broker, but for ease I’ll refer to him throughout.

## **What happened**

Mr K had a motor trade insurance policy with UKI covering his business’s vehicles. He bought the policy using a broker.

His personal vehicle, which was covered under the policy, was stolen and not recovered. He contacted UKI and made a claim.

UKI valued his vehicle at £15,029. It told him he could expect the amount to be paid without deduction of any excess, and it would be received within three to five days. Mr K said he accepted this valuation because he understood he’d be paid quickly.

It took about five weeks to get the money, and his excess of £250 had been deducted.

Mr K made a complaint about being given the wrong information and because he didn’t agree with UKI’s valuation of his vehicle. He said the vehicle was his, rather than his business’s. So, he thought UKI should pay him the retail price rather than a trade value.

UKI said it would pay him £350 compensation for his distress and inconvenience he’d been caused by giving him the wrong information, but it said it paid the trade value for his vehicle because that was the cover under its policy.

Mr K remained unhappy and brought his complaint to this service. He asks for compensation around £750-£1,000

Our investigator looked into it and thought it wouldn’t be upheld.

UKI agreed but Mr K didn’t. Because he didn’t agree, this complaint has been passed to me for a final 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 read the file, I’m not upholding Mr K’s complaint and I’ll explain why as I appreciate the strength of his feelings about this.

It’s important I start by saying that under the rules of this service I’m only able to consider Mr K’s complaint until the date of UKI’s final response, which is 29 August 2024.

Having read the file, I can see that UKI delayed sending Mr K payment for his vehicle because it was carrying out further checks on his claim.

The assessor who told him he'd get payment in three to five days made a substantial error here. UKI needed to carry out an interview with Mr K before it could agree its payment, and this caused part of the five-week delay.

The same assessor also told Mr K that he thought the settlement amount wasn't subject to the deduction of an excess. This was another mistake. I've looked at UKI's explanation of this, which seems to be related to the original make, model and value of Mr K's vehicle.

But it's clear to me that UKI's assessor left Mr K with the understanding his excess wouldn't be taken off the claim.

It seems to me that Mr K hasn't had good service here. UKI's assessor made two substantial errors in dealing with him, that only later came to the surface.

I can see from the file that Mr K seems to have accepted UKI's valuation for his vehicle. However, I think it's important he knows that I have reviewed that part of his claim as it's been dealt with in the view.

Our investigator has already explained this service's approach to valuing a vehicle, which is to use trade guides. I've looked into these trade guides and I can see only one offers a value:

Trade Guide A £15,029

I've also looked at the cover Mr K had under his policy. It says it will pay the trade value of a vehicle. I can appreciate Mr K has talked about this vehicle being special to him, and it was his personal vehicle for about eight years, but the cover under the policy is clear.

It's the approach of this service that the highest value from the trade guides is used as the market value for Mr K's claim. In this case, there is only one value. And, if either party doesn't agree with that valuation, then they need to provide evidence why.

Without further evidence to show a different value, I think £15,029 is fair.

I've considered Mr K's distress and inconvenience during his claim, and I've mentioned above that I'm only able to consider this until 29 August.

UKI's assessor gave Mr K two pieces of incorrect information at the same time. And I can see this had had an impact on him, and led to a great deal of frustration.

Having looked at the policy wording, it's clear that there was an excess applying to the policy of £250. This is part of Mr K's contractual agreement with UKI, and while I appreciate he was initially told otherwise, this was a mistake made by the assessor. The excess was deducted from the claim settlement and I agree this was the correct course of action. But, I will consider this as part of my assessment of Mr K's distress and inconvenience.

Mr K has also said he only accepted the settlement figure of £15,029 because he was told it would arrive quickly by the assessor. Again, this wasn't correct and it took considerably longer to arrive than he'd been told.

But, I think it's fair I say Mr K's distress and inconvenience was limited as the settlement was reached within those five weeks. I've said above that the trade value of his car was correct

and in line with this service's approach, so I can't say UKI has acted unfairly.

Taking everything into account, UKI made two mistakes that caused Mr K substantial distress and inconvenience but over a short time. I do understand that Mr K still feels strongly about what's happened to him, and he's not felt up to replacing his car several months later, but the settlement amount he received was in line with the policy terms and was fair.

I've thought about this carefully and considered this service's guidelines on compensation, and I think UKI's offer of £350 is fair and I'm not going to ask it to increase this amount.

So, I'm not upholding Mr 's complaint.

### **My final decision**

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 30 April 2025.

Richard Sowden  
**Ombudsman**