

The complaint

Mr L complains about how U K Insurance Limited (UKI) settled a claim on his motor insurance policy.

What happened

Mr L held a motor insurance policy with UKI. After a claim for his vehicle in 2021, UKI decided to write his vehicle off and pay him an amount it said represented the market value of his vehicle at the time of the loss (£875).

In 2023, UKI carried out an internal review of a number of motor total loss claims. As a result of that review, it paid Mr L two further payments, one for £203.73, the other for £84.35. It said this was because following review, it thought the amount it valued Mr L's car at when he made his claim (£875) was too low. It thought a fair valuation was £1,041.22. So it said the payments made up the difference between that increased valuation and its original settlement, plus interest.

Mr L didn't think the increase was enough, he thought his vehicle was worth £1,500. He complained to UKI and also said he wasn't given a courtesy vehicle back in 2020. He said getting paid less than a fair value led him to have financial difficulties.

UKI said its revised value was fair. It did acknowledge some distress and inconvenience caused by not being paid a fair value initially. And it acknowledged more should have been done surrounding a courtesy car when the claim was made. It sent him a cheque for £300 to acknowledge this, which it said was made up of compensation, plus £10 per day for the time the claim was ongoing (18 days).

Mr L didn't think this was enough and brought his complaint here.

Our Investigator didn't recommend it be upheld. She said UKI's revised valuation sat toward the higher range of the valuation guides available and in use at the time – and was therefore fair and in line with the policy terms. She thought the compensation payment for loss of use and distress and inconvenience was fair.

Mr L didn't agree and 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'm not upholding it.

Mr L's policy says the most UKI needs to pay on any claim is the market value of Mr L's vehicle. It defines that as *"the cost of replacing your car with another of the same make and model and of a similar age and condition at the time of the accident or loss."*

There's no exact science to determining a vehicle's market value, but at the time of Mr L's

claim, we placed most weight on the valuation guides. These are tools that use nationwide data to estimate a vehicle's market value, taking into account all the factors listed in the above definition.

Unfortunately, at the point the complaint came to us we weren't able to use the guides due to the age of Mr L's vehicle, and how long ago the claim was.

But I've seen the guide valuations that UKI was able to obtain. And its valuation of £1,041.22 sits close to the higher guide valuation of £1,107.44. At the time the claim was made, our approach was to see whether an insurer's valuation was within the range of the values returned by the available guides. Here, it was. And with it being closer to the highest guide than the lowest, I'm satisfied it's fair. I've seen no other evidence to persuade me otherwise.

I understand Mr L has said getting paid a lower amount put him in financial difficulties, but I've not seen any evidence to support that. And I've also got to bear in mind that this complaint was brought to us following UKI's second increase.

That said, knowing you were paid an amount that wasn't enough will be distressing.

UKI has also paid Mr L £10 per day for the length of time it took them to pay his claim (18 days). I've not been made aware of any costs he incurred exceeding this. And so on that basis, I'm satisfied that's a reasonable solution to put things right.

So, in light of the above, I'm not going to require UKI to increase its valuation any further. And I'm satisfied too that £300 is adequate compensation when taking into account the loss of use of the vehicle, the lack of courtesy car and then finding out you weren't paid enough.

My final decision

For the reasons set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 21 July 2025.

Joe Thornley
Ombudsman