DRN-5937020

## The complaint

Mr G complains about how his insurer, One Insurance Limited (One) valued his vehicle as a total loss following an accident. He's also unhappy at having to pay £150 to have his vehicle returned and being charged an excess of £300 under the policy.

Any reference to One in this decision includes their agents.

This decision covers Mr G's complaint to this Service about One Insurance Limited (One) as the insurer of his motor insurance policy. It doesn't cover the actions of the accident management company and designated claims handler (OCC), a separate business. Nor does it cover the actions of the broker who arranged Mr G's policy (OC). Reference is made to OC and OCC as context to understanding what happened in this case.

## What happened

In June 2025, Mr G was involved in an accident in which his vehicle was hit by a third-party vehicle while parked. He had only purchased his vehicle 12 days earlier, from a dealer, for £11,998. He phoned One to tell them about the incident, initially talking to OCC as One's designated claims handler.

OCC were also an accident management company and given the circumstances of the accident, which indicated Mr G wasn't at fault, OCC offered Mr G the option of using them to deal with his claim on a non-fault basis. Mr G wouldn't have to pay his policy excess and a hire car provided, as OCC would pursue the third-party insurer for all costs. Alternatively, he could claim through One as the insurer of his policy. He would receive a courtesy car if his vehicle was repairable (subject to availability) and his excess would be payable. Mr G agreed OCC should handle the claim as an accident management company, rather than pursue a claim under his policy with One.

However, Mr G wasn't happy with the proposed agreement OCC sent him for them to act as an accident management company (including proposed charges), saying he wanted his claim to be dealt with by One as the insurer of his policy. As Mr G refused to enter into an agreement with OCC, he was directed to make a claim with One.

Mr G was unhappy at what happened and that his vehicle had been recovered to a firm (S) without his knowledge or permission. Nor was he happy with the valuation of his vehicle, which had been assessed a total loss, at £11,497 when he had just purchased the vehicle. He was also unhappy at having to pay £150 to S for his vehicle to be delivered back to him, thinking it should be covered as part of his claim. He was also unhappy at the policy excess of £300 being deducted from the total loss settlement offer, when he was clear the accident wasn't his fault.

Because he was unhappy at how his claim was being handled, Mr G cancelled his policy, the renewal of which had been due in mid-June 2025 (but the policy was in force at the time of the accident, so a claim could still be made). One processed a refund of £418.90 shortly before the policy was due to renew.

Unhappy at what had happened, the valuation of his vehicle as a total loss, the £150 charge from S, policy excess of £300 and the confusing handling of his claim involving several different forms, Mr G complained to One (he had previously complained to the broker, OC, who issued a final response in June 2025).

One didn't uphold the complaint. In their final response, issued in July 2025, they noted Mr G first contacted their designated claims handlers (OCC) to report the incident and they initially handled the claim in their own capacity as an accident management company, before Mr G then opted to make a claim on his policy with One.

One assessed Mr G's vehicle a total loss and used recognised industry valuation guides to determine the market value. This produced a valuation of £11,510 (before deduction of the policy excess). However, One offered to increase the valuation to the maximum figure from the guides they used, being £11,825 (before the £300 excess). On payment of the excess, One said it was a requirement of the policy for the excess to be deducted from any claim made under the policy, which they would seek to recover from the third party [insurer] if they accepted liability for the incident. On the release fee charged by S, One had no control over the fee as they were a separate company.

Mr G then complained to this Service, unhappy at what happened, including the issues he'd raised with One. He wanted One to refund the policy premiums he'd paid , as he didn't think One had provided the service under the policy for which he had paid the premiums

Our investigator didn't uphold the complaint, concluding One didn't need to take any action. On the valuation of Mr G's vehicle, the policy provided for One to pay the market value. Looking at recognised industry valuation guides, they ranged from £11,510 to £11,976. One's revised valuation of £11,825 was within the range and close to the highest valuation, so was fair. The investigator recognised Mr G had to deal with several firms as part of the claim, but the focus of the complaint was how One handled the claim. On payment of the policy excess, that would always have been payable as part of any claim under the policy, and One would seek to recover it from the third-party insurer if liability for the incident was accepted. It also wouldn't be reasonable for One to refund the policy premiums as they were part of the contract of insurance underpinning the policy. On the £150 release fee charged by S, the investigator didn't think that was something for which One were responsible.

Mr G disagreed with the investigator's view and requested that an ombudsman review the complaint. He said he refused to sign the agreement with OCC which meant he couldn't pursue a claim through One. He'd then engaged an independent company to pursue his claim, so he hadn't received a settlement from One. Which meant he hadn't paid the excess that would have been deducted from the total loss settlement offered by One. He'd initially been told his claim would be considered non-fault but then he was told it would be treated as a fault claim and the excess payable, which One would then seek to recover for the third-party insurer, if liability wasn't disputed. Mr G maintained the circumstances of the incident clearly indicated he wasn't at fault. He was also concerned at his vehicle ending up at S without his knowledge or permission and One should cover any charges, which he felt obliged to pay.

He'd asked for a refund of premiums because One hadn't provided the service for which he had paid the premiums. In refusing to deal with his claim he'd had no choice but to engage an independent company to pursue his claim. So, he hadn't benefited from the policy and so a refund was justified.

**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.

My role here is to decide whether One has acted fairly towards Mr G. In doing so, as I've said, it isn't to decide on the actions of OCC in their initial accident management company role, nor the broker OC. From what Mr G has said, he didn't accept One's total loss settlement (including the deduction of the policy excess) and subsequently went through an independent company. So, while One assessed the claim and made a total loss settlement offer, Mr G didn't accept it so payment of the settlement (and deduction of the policy excess) hasn't been made by One. But I can still assess the actions of One, as the policy insurer.

As well as the valuation of Mr G's vehicle as a total loss, there are specific issues with the deduction of the policy excess and the £150 charge paid by Mr G to have his vehicle released from S.

*(a) Valuation of Mr G's vehicle*

In considering the issue of the valuation of Mr G's vehicle, I've first looked at what the policy terms set out. In cases of total loss, the policy provides for the market value of the vehicle to be paid. Market value is defined in the policy as:

> *"This is how much it costs to replace your car with another that is similar make, model or has the same features. This depends on how old your car is, how many miles it has done, and its condition (paint work, mechanics, rust and so on). When we look at the market value of your car, we might use guides that are used in the car insurance industry and search for similar cars for sale to the public."*

As a Service, our approach to vehicle valuations starts by looking at an insurer's valuation, which we generally expect to be based on relevant industry valuation guides. We'd expect an insurer's valuation to be based on the highest valuation guide figure (or higher). If it was, then we are likely to say it's fair, unless there's other evidence to say this is unfair (or that an insurer can evidence their offer is fair where it's lower than the highest guide value).

In the case of One's valuation, their initial offer was £11,510, which was included within an engineer's total loss report dated shortly after the accident involving Mr G's vehicle. The report also includes estimated repair costs of £12,082.78 (104% of the valuation). Given the estimated repair costs exceed the vehicle valuation, then it was reasonable for the vehicle to be assessed as a total loss. The report refers to the figure of £11,510 as the retail value of Mr G's vehicle from one recognised industry valuation guide (A), based on a 'good' pre-accident condition and the estimated mileage of the vehicle at the time of the accident. I've noted the report states it was commissioned by OCC.

The report also includes a salvage value of £1,151 (which would be the value One would receive on disposal of the vehicle following a total loss settlement, as well as the payment Mr G would have to make should he elect to retain the vehicle). Salvage values are typically based on agreements insurers have with their salvage agents, although in this case the value would appear to be the opinion of the engineer and calculated based on 10% of the vehicle valuation of £11,510.

One's claim notes then record (in July 2025) a further valuation from another recognised industry valuation guide (B) of £11,825 which would appear to be the basis of One's revised total loss settlement offer included in their final response sent shortly afterwards.

I've then looked at the valuations for Mr G's vehicle from the recognised industry valuation guides used by this Service. Of the four we use, one didn't provide a valuation, but three did,

including valuations from the two guides used by One. The valuations we obtained were as follows:

(A) £11,510 (Retail transacted)
(B) £11,976 (Retail)
(C) £11,882 (Retail)

The valuation from (A) is the same in both cases, but that from (B) is slightly higher for the valuation provided to this Service than that used by One. However, the difference isn't such that we would consider One's valuation to be unfair or unreasonable. So, I've concluded One's valuation offer was fair and reasonable. The values are also quite close to the purchase price Mr G said he paid shortly before the accident, so I don't think this makes them unfair or unreasonable.

So, I've concluded One acted fairly and reasonably in their settlement valuation offer. Notwithstanding that Mr G didn't accept it and then pursued his claim through an independent company.

*(b) Deduction of the policy excess of £300*

I've then considered the issue of the policy excess. At this point, it's important to distinguish between the initial handling of the claim by OCC in their capacity as an accident management company and One's subsequent taking on the claim when Mr G refused to sign the agreement with OCC covering their role as an accident management company. Mr G has supplied a copy of a letter from OCC, dated the day after the incident. The letter sets out OCC dealing with vehicle repairs and replacement hire vehicle, that is, as an accident management company. The letter refers to OCC dealing with the claim on a non-fault basis, based on what Mr G told OCC about the accident circumstances when he first notified them of the incident. However, this is what I would expect given OCC's role as an accident management company, they take on the claim in the expectation they will recover all costs from the third party [insurer] on the understanding they are liable for the accident.

As an accident management company, OCC also required Mr G to sign an agreement governing the terms under which they would act on his behalf, including the agreement covering recovery and storage costs. It was the nature of this agreement to which Mr G objected and refused to sign, meaning OCC would no longer act as an accident management company and the claim then reverted to One, as the insurer of the policy.

What that also meant was that the terms of the policy would then apply to the claim, including the policy excess.

This is reflected in the letter from OCC, dated 11 June 2025, in which they set out they are acting as claims handler for One (as the policy insurer). They refer to the claim as a fault claim, but this reflects the position that until liability is established or accepted by the third party [insurer] then One could not be sure they would recover all the costs of the claim. The letter states that if the full costs are recovered, the claim would be re-classified as 'non-fault'. This also reflects standard insurance industry practice where a claim is designated as a fault claim (regardless of who was to blame for an incident) unless or until the insurer makes full recovery of their outlay on a claim.

This also means the policy excess would apply to the claim, pending establishment of liability and One recovering their costs, including the policy excess as an uninsured loss. So, taking al these points together, I've concluded One acted in line with the policy terms and conditions in applying the policy excess of £300 to their total loss settlement. As such, they didn't act unfairly of unreasonably, notwithstanding that Mr G didn't accept the settlement

offer and took his claim to an independent company (so he didn't receive a total loss settlement from One, nor pay the policy excess as a deduction from the settlement offer.

*(c) The release fee of £150 charged by S*

The other issue in Mr G's complaint is the £150 release fee charged by S for the release of his vehicle, as the indications were that he wanted to retain the vehicle (alongside the salvage fee for the vehicle). From what I've seen, the vehicle was moved to S to avoid incurring further storage costs at the location Mr G' vehicle was first recovered after the accident. This is common practice in these circumstances, where insurers seek to minimise costs associated with an accident.

As S are an independent company, and Mr G has decided not to accept the settlement offer from One (and pursued a claim through an independent company), I can't reasonably ask One to reimburse the £150 release fee charged by S.

On the other points made by Mr G, I don't agree One should refund the policy premiums. Having decided not to pursue his claim through OCC as an accident management company, Mr G reverted to making a claim under his policy with One. One assessed his claim and made a total loss settlement offer for Mr G's vehicle, which I've concluded was fair and reasonable under the terms of the policy. In doing so, they discharged their responsibility to assess a claim under the policy, notwithstanding the fact Mr G appears to have rejected the offer and pursued a claim through an independent company. So, it wouldn't be reasonable to ask One to return the policy premiums.

Mr G also raised concerns about the number of companies with which he had to deal following the accident. I accept multiple parties were involved, including OC, OCC, engineers and recovery and storage firms. And OCC had a dual role as claims handlers for One and as an accident management company. I recognise this would have meant complexity faced by Mr G, but I can't conclude One acted unreasonably and its an operational decision for them as to how they structure there business and the differing roles of entities within the wider group structure.

Taking all these findings and conclusions together, I've concluded One haven't acted unfairly or unreasonably, so I won't be asking them to take any further action.

**My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 January 2026.

Paul King
**Ombudsman**