

The complaint

Mr D complains First Central Underwriting Limited (First Central) unfairly settled his claim on his motor insurance policy after his car was classed as a total loss. He also said there had been delays to his claim.

First Central are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As First Central have accepted it is accountable for the actions of the intermediary, in my decision, any reference to First Central includes the actions of the intermediary.

What happened

Mr D made a claim on his motor insurance policy after his car was damaged in an incident. Initially he decided to progress the claim directly with the third-party insurer. After he encountered a delay with the third-party insurer, he brought the claim to First Central.

First Central's engineer inspected the car, and it was deemed beyond economical repair and therefore was classed as a total loss. First Central made Mr D a market value settlement offer of £1,380.

Mr D was not happy with the settlement amount. He said it was significantly below the real market value.

Because Mr D was not happy with First Central, he brought the complaint to our service.

Our investigator didn't uphold the complaint. They looked into the case and said First Central offered a valuation that is consistent with the available guides and didn't find the additional evidence of adverts provided by Mr D persuasive enough to ask First Central to increase its offer.

As Mr D is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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 case I have considered whether First Central acted fairly and reasonably in reaching its decision as to the level of settlement offered to Mr D following the write-off of his car.

My role is not to provide an exact valuation but to make a judgment as to whether the offer of settlement is fair.

I firstly looked at the details within Mr D's motor insurance policy with First Central. In the terms and conditions of the policy. It says;

“Market Value – The cost of replacing your car, with one of a similar make, model, age, mileage and condition based on market prices at the time of the accident or loss. This may not be the same price you originally paid for your car or the value you declared in the Statement of Fact.”

Although this service doesn't value vehicles, we do check that the insurer's valuation is fair and reasonable and in line with the terms and conditions of the policy. We use valuation guides to do this, and they're based on nationwide research of likely selling prices and take the car's specifications, mileage etc into account.

This service doesn't consider the question of market value to be an exact science. We take the approach that if First Central can demonstrate, that it used a fair process to value the car then we wouldn't interfere with the offer it has made.

I looked at the information First Central used when calculating the market value for Mr D's car. I saw it obtained two valuations. In this case it initially offered £1,305 less the policy excess, which was an average of the valuations. This was increased to £1,380 which is the highest of the two valuation guides and the policy excess was waived.

I looked at the valuations our investigator obtained. Due to the car being more than 15 years old they were only able to obtain one valuation. This was £1,348. Due to only one valuation being available I also looked at evidence of similar cars advertised for sale that had been obtained by our investigator. These provided a range of advertised sales prices between £795 and £1,995. However the higher valuations were for cars with massively lower less mileage than that of Mr D's car. The closest comparison had a sales price of £900.

I saw Mr D also provided evidence of cars advertised for sale, all of which were higher than First Central's settlement offer. The mileage on the cars advertised for sale were between 106,000 and 167,000 miles, much lower than the 262,000 miles of Mr D's car. Therefore I'm not persuaded these are comparable examples. I understand Mr D feels that even when adjusted for the higher mileage on his car the valuation should be between £1,800 and £2,000.

I acknowledge Mr D maintained his car to a high standard and it was in in good mechanical and cosmetic condition. And I recognise that he had owned the car for a number of years and it was an essential part of his family life. However, I have not been provided with any evidence to support a higher valuation, and I'm satisfied the valuation provided by First Central is a fair market value settlement offer in this case.

The incident was reported to First Central on 19 May 2025 and Mr D told it he intended to make a claim through the third-party's insurer. On 20 June 2025 due to delays with the third party Mr D contacted First Central to request its support with his claim. First Central processed his claim and a total loss settlement was made on 9 July 2025 and its final offer was made on 17 July 2025. I also saw on 25 July 2025 it offered Mr D an interim payment so he could start the fix his car. I consider the claim was processed in a good timescale.

Therefore, although I recognise Mr D will be very disappointed I don't uphold his complaint and don't require First Central to do anything further in this case.

My final decision

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 10 February 2026.

Sally-Ann Harding
Ombudsman