

The complaint

Mrs B has complained about Accredited Insurance (Europe) Ltd's (Accredited) service following a claim she made on her motor insurance policy.

Mrs B's policy is branded in the trading name of the insurance intermediary which offers it. Another insurance intermediary was appointed to handle Mrs B's claim. But Accredited is the policy underwriter and as such it retains responsibility for claims decisions and complaints about those. So in this decision I will only refer to Accredited even where another firm took action on its behalf.

What happened

Mrs B's car was parked and unattended when another car hit it. Two days later, on 17 June 2025, she reported the incident to Accredited. Accredited initially thought her car was repairable. But after beginning to strip the car it identified that it was uneconomical to repair and deemed it a total loss. And, as Mrs B wanted to retain the car's salvage, it returned that to her.

Mrs B had numerous concerns with Accredited's service. She complained. Accredited acknowledged that it didn't get everything right including, amongst other things, that it had returned the car to her with additional damage that wasn't caused in the incident. To address the impact of those things it offered her £200 compensation and also offered to waive its salvage retention fee of £279.

Mrs B remained dissatisfied and brought her complaint to the Financial Ombudsman Service. One of our Investigators looked into it. He thought that Accredited should increase its compensation by £150 but otherwise thought it had had done enough to offer redress for the impact of its errors.

Mrs B didn't agree with our Investigator's complaint assessment, so, as the matter remains unresolved, it's been passed to me to determine.

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 dealing with her claim, bringing the complaint and responding to our Investigator's assessment of it Mrs B has made many points. I've considered everything she said and everything on file. But in this decision I don't intend to address each and every issue raised. Instead I will focus on what I see as being the key points at the heart of Mrs B's complaint and the reasons for my decision.

Valuation

After deeming Mrs B's car a total loss Accredited initially valued it at £2,400. But, after she challenged that figure it increased its valuation to £2,790. Mrs B doesn't think she could replace her car for that amount.

Mrs B's policy says that if Accredited deemed her car a total loss it would pay her its market value (less her excess). The policy defines market value as:

“The cost of replacing your car in the UK with one of a similar make, model, age, mileage and condition, immediately before the loss or damage happened. To assess the market value at the time of the loss, we may take advice from a suitably qualified, independent motor engineer or refer to publications such as Glass’s Guide, and make an allowance for the mileage, condition and circumstances at the time you originally bought your car.”

Assessing the market value of a car is not an exact science. And it's not my role to value vehicles. When looking into these types of complaints we check trade guides, adverts and other relevant evidence. We generally find the guides most persuasive as they're based on nationwide research of likely selling prices of numerous similar vehicles. So, they're often more reliable than individual adverts. I've considered if Accredited's offer to settle Mrs B's claim is fair and in line with the policy terms and our general approach.

Given the competitive market for second-hand vehicle sales, and to minimise the risk of detriment to the policyholder, the Financial Ombudsman Service feels that the starting point for any settlement should be the highest valuation returned by the trade guides. If a consumer does not think that sum was enough to allow them to replace their car with an equivalent vehicle, we would expect them to provide other evidence. For example that could be from adverts or other independent reports, which suggest that another value is fair in the relevant circumstances.

In this case Accredited looked at the valuations from four trade guides, which I've identified by their initials below. The trade guides use the car's registration number to find its specific details together with the exact mileage of the car being valued. As I've said above, valuing a car is not an exact science and each trade guide uses its own method for providing a valuation. So while they may produce similar results the guides' valuations are rarely identical. At the time that Accredited ran the valuations the guides it used valued Mrs B's car at, A: £1,887, C: £2,302, P: £2,053, G: £2,790.

So, using our preferred methodology the highest of those values would have been G's at £2,790. And that is the sum that Accredited based its claim settlement on.

Mrs B said that she couldn't buy a car locally for that valuation. And she gave Accredited details of two cars that were advertised for higher prices. However, Mrs B's policy says that market value is based upon the value of the cars "in the UK". So it does not have to adjust the valuation to reflect any local trends.

Further, I'm aware that the advertised prices for cars aren't necessarily selling prices. A seller can advertise a car for any price they choose. But that doesn't mean it will sell for that price. Indeed there's no guarantee that an advertised car will sell at all. And I'm aware that some dealers will advertise cars at higher than their expected selling price to allow for some negotiation and to make the deal seem more attractive to a prospective buyer.

In any event, I wouldn't find two adverts alone an indicator of a fair market price. And I think it's worth noting that P's valuation of £2,053 referenced six other cars on the market of lower mileage than Mrs B's car all of which were advertised for sums below Accredited's valuation. Similarly Accredited gave Mrs B details of two other cars, with lower mileage than hers advertised at a cheaper price. And given that it settled Mrs B's claim for her car based on the highest trade guide valuation I think it did so fairly.

Additional damage to Mrs B's car

After Accredited returned the car's salvage to Mrs B she identified that Accredited's agents had caused further damage to it. Accredited acknowledged that the car was returned with additional damage. But it said that if Mrs B didn't want to retain the car she could keep hold of it until it had paid her its market value and then return it. But Mrs B chose to keep the car.

I can understand that Mrs B was cross at learning the car had suffered further damage while in Accredited's care, particularly because she says it initially told her that it was in the same condition as when she last saw it. That plainly wasn't the case. Accredited has accepted that

it caused further damage, most likely during the stripping process. However, as I've mentioned, it gave Mrs B the option of returning the car. It was her choice not to do that. And she made that choice in the knowledge that the car had suffered further damage.

That said, I do think Accredited should have told Mrs B before returning the car that it had suffered some additional damage.

In order to address the impact of its mistakes Accredited said it would waive the salvage retention fee of £279. It seems Mrs B doesn't think that goes far enough given the scale of the additional damage.

It might help if I explain that when an insurer settles a claim on a total loss basis the car's salvage becomes the insurer's property. And the insurer does not have to allow the policyholder concerned the option to buy back the salvage. But where it's fair for that to happen, we think it's reasonable for an insurer to deduct from the total loss settlement the fee that it would otherwise have received for the salvage.

So, in Mrs B's case, by waiving the salvage fee, Accredited would be essentially paying Mrs B the full market value for her car – less her excess – and also allowing her to keep its salvage. So this would put Mrs B into a position where Accredited has settled her claim paying her the funds to enable her to buy a similar replacement car based on its pre accident condition. Or she could choose to use those funds to pay to repair the car. And as the car's market value is the maximum Accredited is liable to settle a claim for its total loss for, I think that's reasonable in the circumstances.

I'll add that Mrs B believes Accredited made a mistake in moving her car to the salvage agents in the first place. She said Accredited told her that its policy in those circumstances would be to return the car to her pending its total loss settlement. I haven't seen exactly when Accredited told her this but I accept her evidence that one of its agents gave her that impression. However, that's not an accurate reflection of the policy.

Mrs B's policy says that if it deems her car a total loss it may put the salvage into storage. And generally insurers have contracts with specific salvage agents to store cars. That is the usual process for most insurers I'm aware of. That's because repairing garages will usually charge an insurer fees for storing a car, fees they won't generally have to pay to their salvage agents. And, insurers will expect the car to become its property to sell on, so they won't usually return the salvage at that time to the consumer concerned. That's what Accredited did in this case. I'm satisfied that's a reasonable step to take. And at that time Accredited couldn't have known that Mrs B wanted to retain the salvage. So I don't think it made a mistake moving the car to its salvage agent's yard.

Hire car

Mrs B was very unhappy with the actions of Accredited's partner who provided her with a hire car. In the first instance it dropped the car off to her without showing her its – somewhat unusual – starting procedure. So she was unable to use the car for a day. Accredited has acknowledged that this wasn't appropriate.

Also, once Accredited identified that her car was a total loss its hire company partner contacted Mrs B and told her she would need to return the car within three hours. It did so at a time when, owing to some very difficult circumstances, that simply wasn't possible. Mrs B said that and the partner's subsequent actions amounted to harassment. She rang Accredited and one of its agents told her that she should be able keep the hire car for seven days after its total loss settlement. But that information was wrong.

Mrs B's policy says that she was entitled to a hire car while her car was being repaired. So, once Accredited deemed it a total loss the repair process ended and she was no longer entitled to a hire car. Accredited explained this to Mrs B the next day. I understand that being without the hire car was inconvenient for Mrs B, especially as there was a delay in returning her car to her from the salvage yard. And I note that Accredited acknowledged its handling of

the hire car matter wasn't to a standard it would like. So it considered this when it offered her compensation of £200. I say more about this offer below.

Claim handling

Mrs B felt that Accredited handled her claim poorly. She said it didn't appropriately obtain a witness statement and she had to obtain that for it. I've seen evidence that Accredited told Mrs B it hadn't received the witness's statement, when Mrs B knew that he had submitted it, because she has messages from the witness confirming that. However, I have seen evidence that, despite this confusion, Accredited was in correspondence with the witness and it did successfully send his statement to the third party insurer in July 2025. So, while I can understand that Mrs B wanted to ensure Accredited had received the witness statement, I'm not persuaded it required her intervention in order for that to happen.

Mrs B also said that owing to Accredited's delays it was unable to gather CCTV evidence. She said that this could jeopardise her chances of Accredited successfully holding the third party liable for the incident. And while I understand her concerns, as far as I'm aware liability has not yet been decided. So if the third party insurer accepts liability, then the question of whether or not Accredited gathered the CCTV evidence falls away. In these circumstances, as things stand, I can't fairly say whether or not any delays in requesting the CCTV have prejudiced Mrs B's position.

Compensation

I understand that Mrs B has found dealing with the entire claims process stressful and draining. That's, especially as, through absolutely no fault of her own, her car's been damaged and she's then found herself without the use of a car for periods. But I need to acknowledge that it's often the case that, even where insurers handle claims with utmost efficiency, the policyholders concerned may find the experience immensely inconvenient and stressful. That's often the case as they will usually have to pay an excess and might have to source a replacement car while also enduring lengthy claims processes where the outcome might be uncertain.

Also insurers can't simply turn the clock back. That is they can't waive a wand and put the consumer back into the position they were in before the incident leading to the claim, regardless that the consumer may be entirely blameless. And all insurance policies have limitations on what they will and won't cover. So it's often the case that a consumer might find themselves in a worse position following a claim than before it. But just because a consumer suffered distress and inconvenience doesn't automatically mean it's as a result of an insurer's mistakes or omissions.

In this case not everything went well for Mrs B. She found herself having to make a claim, her car being deemed a total loss and she wasn't always left with a car to keep her mobile. I don't wish to downplay how significantly the claims process and everything involved in it has impacted Mrs B. And I'm aware she suffers with health concerns which she is certain have been exacerbated by the issues she's faced. She also has caring responsibilities, which she suggested are made far more onerous if she doesn't have a car. But I'm not persuaded that all the distress and inconvenience she's suffered have been caused by Accredited's handling of things.

That said, Accredited has already acknowledged some of its service could have been better and its offered £200 compensation and to waive the £279 salvage retention fee. I've thought carefully about whether or not that goes far enough. Having done so I don't think it does and am persuaded that further compensation of £150 is warranted. That makes the total compensation £629 (£200+£279+£150).

I know Mrs B doesn't think that sum is anything like enough. But I think that's reasonable redress in the circumstances. That's because I think it fairly recognises the considerable distress, upset and inconvenience Mrs B has suffered. And that she's had to put in a lot of

extra effort to sort things out over a period of months. I'm also satisfied that sum is similar to awards we make in other cases of equivalent seriousness where the impact has been of a similar nature.

Putting things right

Assuming Mrs B accepts my final decision, and unless it has already done so, I will require Accredited to:

Pay Mrs B a total of £629 compensation as set out above. If It's already paid the £200 it previously offered, and/or the £279 salvage retention fee, it should pay the remainder, otherwise the full amount of £629 will be payable.

My final decision

For the reasons given above I require Accredited Insurance (Europe) Ltd to take the steps set out above under the heading 'putting things right'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 13 March 2026.

Joe Scott
Ombudsman