

## The complaint

Mrs K complains at the amount First central Underwriting Limited paid out on her claim on her motor insurance policy after the vehicle was declared a total loss.

Reference to First Central Includes, where appropriate, its agents.

## What happened

Mrs K was involved in a car accident and made a claim to First central for the damage to her car. First Central accepted the claim and said it would pay her the market value of her car, less the excess, in line with the policy terms. It valued her car at £4,100.

Mrs K complained. She didn't think this was enough. First Central reviewed its valuation and increased it to £5,000. But Mrs K still didn't think this was enough for her to buy a suitable replacement. She said her car was a left-hand drive (LHD) vehicle and didn't think First Central had taken that into account. She also complained about the amount First Central wanted to charge her (£750) to allow her to keep her vehicle.

Our Investigator thought First Central needed to reassess the value it placed on Mrs K's car, taking into account it was LHD. He thought the charge First Central were applying to allow Mrs K to keep her car (the salvage value) was fair.

First Central reviewed its valuation but it didn't change it. It said LHD vehicles in the UK were usually worth less than their right-hand drive (RHD) equivalents. It said it wasn't making any deduction here so maintained its value was fair.

Mrs K didn't agree said from the adverts she'd seen, LHD cars were often on sale for more than RHD cars, not less. She provided a number of adverts she felt supported her position, from both the UK and Europe. In addition she provided a valuation of her car, from a business she said was a LHD specialist.

Ultimately though, our Investigator didn't recommend Mrs K's complaint be upheld. He thought the valuation First Central had come to was fair and reasonable in line with the policy terms.

Mrs K disagreed and asked for an Ombudsman's decision.

I issued a provisional decision explaining I was thinking of upholding the complaint. It said:

*"I plan to uphold Mrs K's complaint and direct First Central to value Mrs K's vehicle at £6,500. I'll explain why below.*

*The salvage value hasn't been disputed further since our Investigator's view, so I'm not going to comment on that further other than to say I too am satisfied it's a fair deduction.*

*Like a lot of motor insurance policies, Mrs K's policy with First Central says the most it will pay on any claim is the market value of her car. Her policy defines market value as "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..."*

*While the word "market" is itself undefined, I'm satisfied a reasonable interpretation of that here, is the UK market. The policy is a private car policy, sold in the UK, insuring the car, primarily in the UK. This means First Central isn't responsible for any costs, taxes/duties or exchange rates involved in bringing a car over from another market, such as one in another country in Europe.*

*Here, First Central ultimately valued Mrs K's car at £5,000. This was based on values returned by two valuation guides (£4,750 and £4,931) and two adverts for cars for sale (£4,100 and £4,900).*

*Usually, we find the valuation guides persuasive evidence. They take into account the make, model, mileage and condition of the vehicle to give an estimate. But here, the guides are valuing RHD cars, not LHD ones like Mrs K's is.*

*Similarly, the adverts provided, whilst of a similar make, model, mileage and specification, have a fundamental difference. They too are for RHD cars, not LHD cars.*

*First central has said the LHD aspect of the car, if anything would make it worth less, because there would be less demand for it in the UK. Which while a reasonable explanation, isn't supported in evidence.*

*Mrs K has provided a number of adverts, some on sale in the UK, some on sale in Europe. As mentioned above, the ones on sale in Europe I'm not considering, because I don't consider them to be being sold in the same market.*

*Most of the adverts Mrs K has provided are also for different cars to hers. So for that reason, I don't consider them persuasive evidence either.*

*There is one car, reasonably similar to Mrs K's on sale in the UK for £10,000. But that car is being advertised on a social media platform, and the wording of the advert indicates the seller knows it is priced highly.*

*The only other evidence I've been provided with is a valuation from an independent LHD car dealership. That valued Mrs K's car at £6,500.*

*That report is not detailed. It contains no detail of how it came to that valuation. But, even so, it's the only evidence I've been provided which values Mrs K's car.*

*The company who provided the valuation appear to have been trading for a number of years, and look to specialise in selling LHD vehicles. I'm satisfied they can be considered independent. And the value they placed on Mrs K's vehicle is less than what she thinks it was worth.*

*I understand First Central has some concerns about the report, but I'm not persuaded these concerns invalidate it.*

*Therefore, while I acknowledge fully the report is far from conclusive, it is, in the case, the most persuasive. The guides and First Central's adverts are valuing RHD cars. First Central hasn't evidenced that LHD cars are worth less than RHD cars, or more pertinently, that LHD cars of the same make, model etc as Mrs K's are worth less.*

*The adverts Mrs k provided, with the exception of one, are for either different cars, and/or cars being sold in a different market. The one exception is a reasonably similar car, but the*

*advert, due to the wording and the sale platform make it unreliable evidence.*

*So, with that in mind, I intend to require First Central to pay Mrs K a further £1,500 to settle this claim (the difference between £5,000 and £6,500) plus interest.*

*My provisional decision*

*For the reasons set out above, my provisional decision upholds this complaint. As it stands I intend to require First Central Underwriting Limited to pay Mrs K a further £1,500 to settle her claim plus interest from the date it initially paid her the settlement, to the date it pays this payment.*

*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require First Central to take off tax from this interest. If asked, it must give Mrs K a certificate showing how much tax it's taken off."*

First Central accepted that decision. Mrs K didn't respond other than to ask for an update.

### **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.

Because First Central accepted, and Mrs K provided no objection or further points or evidence to consider, I see no reason to change my decision.

Therefore, my provisional decision now becomes my final decision.

### **My final decision**

For the reasons set out above, my final decision is that I uphold this complaint and require First Central Underwriting Limited to pay Mrs K a further £1,500 to settle her claim plus interest from the date it initially paid her the settlement, to the date it pays this payment.

Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require First Central to take off tax from this interest. If asked, it must give Mrs K a certificate showing how much tax it's taken off.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 5 March 2026.

Joe Thornley  
**Ombudsman**