

## **The complaint**

Mr P complains First Central Underwriting Limited (First Central) hasn't treated him fairly when assessing his claim on a motor insurance policy.

## **What happened**

Mr P was involved in an accident with a third party in July 2025. He contacted First Central to make a claim and explained what happened, saying he was pulling out from a parked position when the third party drove into his car. First Central said he would be held responsible for the accident due to the circumstances he'd described. Mr P disagreed and asked it to obtain CCTV footage from the scene but First Central didn't think it would change its liability decision. It then decided his car was a total loss and valued it at £6,559.

Unhappy, Mr P complained about First Central's liability decision and its valuation, saying it didn't match the value declared on his statement of fact. In its response to the complaint, First Central maintained Mr P was responsible for the accident because he'd pulled away from a parked position and the third party had right of way when the accident occurred. It also said it had valued Mr P's car appropriately but paid him £50 as a gesture of goodwill.

Mr P remained dissatisfied and brought his complaint to our Service. Our Investigator didn't uphold his complaint. She didn't think First Central had acted unfairly in dealing with the claim as it had. Mr P didn't accept our Investigator's findings, so the complaint has been passed to me to decide.

## **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.

I'm aware I've set out the background to this complaint in less detail than the parties have presented it. I'm not going to respond to every single point raised. Instead, I've focused on what I find are the key issues here. I assure both parties, however, that I've read and considered everything they've provided.

The relevant rules and industry guidelines say First Central has a responsibility to handle claims promptly and fairly. So, I've considered the relevant rules, the policy terms and the available evidence, to decide whether I think First Central treated Mr P fairly and reasonably.

## Liability

The starting point is the policy terms and conditions which form the contract of insurance between First Central and Mr P. The terms of the policy, like most insurance policies, allow First Central to take over, defend or settle a claim. This means First Central has the ultimate and final say in how to settle a claim and it may reach a decision Mr P doesn't agree with. However, First Central should exercise this discretion fairly and reasonably, taking into

account all of the information provided about the claim.

It isn't our Service's role to say who's at fault for causing an accident. This is the role of the Courts. Our role is to consider whether First Central's decision on liability was fair and reasonable in all the circumstances. I've carefully considered how First Central has handled the claim and I'm satisfied it carried out a reasonable investigation. I say this as from what I've seen, it listened to Mr P's version of events and determined this wouldn't be likely to succeed in Court.

First Central said that as Mr P was emerging from a parked position, he had the greater duty of care to ensure the way was clear when completing the manoeuvre, in line with the Highway Code. Given this, it felt that if the claim proceeded to Court, Mr P was likely to be held fully liable. I don't think this decision was unreasonable. First Central is responsible for paying the cost of any claim, so it's not in its interests to accept liability when this can be challenged.

Mr P has raised concerns about First Central not obtaining CCTV footage from the scene. I can see First Central tried to contact the CCTV owners but it couldn't find a valid number for them. Mr P then asked First Central to contact the police for the footage. First Central said it was unlikely the police would obtain the footage as no crime had been committed. It also said it was unlikely the footage would change its liability decision as Mr P's own version of events meant it couldn't defend the claim.

First Central has experience of how the Courts view such matters and the likelihood of success in pursuing a legal case, so I'm persuaded it would've taken this into account. And as Mr P was pulling out from a parked position when the accident occurred, I don't think First Central was unreasonable to conclude he had a higher duty of care. I'm not saying Mr P is at fault for the accident. But First Central is entitled to take into account what it thinks the likely outcome would be if the matter proceeded to Court. And I think it's acted fairly in this respect.

From the information available to it, I think First Central reached its decision reasonably and in line with the policy's terms. It follows that any impact the claim may have on Mr P's future insurance isn't something I can say First Central is responsible for. I think it treated Mr P fairly and as it would any other policyholder in the same circumstances. It follows that I don't require First Central to take any further action.

### Valuation

Under the terms of Mr P's policy, First Central must pay him the market value of the car, less his excess. It 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. This may not be the same price you originally paid for your car or the value you declared on the Statement of Fact".*

Our Service doesn't value cars. Instead, we check to see that the insurer's valuation is fair and reasonable and in line with the terms and conditions of the policy. To do this we check valuation guides, adverts and other relevant evidence. The valuation the guides give are based on the advertised prices of similar cars with similar age and mileage for sale at the time of loss. We expect insurers to use valuation guides when valuing a car for claims purposes.

First Central has said it used three guides which produced values of £5,980, £6,539 and £6,559 respectively. Our own results from the guides weren't materially different to the values obtained by First Central but we obtained a valuation of £6,525 from a fourth guide which First Central didn't use.

We'd typically consider the safest way to ensure a consumer receives a reasonable replacement cost (market value) for their car is for an insurer to base its settlement on the highest market guide valuation. First Central's valuation of £6,559 is closely aligned with the highest value produced by the guides. So, I'm satisfied it has reached a fair and reasonable valuation for Mr P's car.

Mr P hasn't provided anything persuasive to show that First Central's valuation isn't sufficient to purchase a like-for-like car. Rather, his main concern appears to be that his statement of fact shows his car value as £8,500 and this is the figure he believes First Central should pay him. However, the policy terms make clear that First Central is only required to pay the car's market value and this may not be the same as the value Mr P declared on his statement of fact. As I'm satisfied First Central's valuation of Mr P's car is fair and in line with the policy's terms and conditions, I won't direct it to do anymore here.

### **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 P to accept or reject my decision before 29 April 2026.

Linda Tare  
**Ombudsman**