

complaint

Mr T complains about the level of service the valuation of his van provided by AXA Insurance UK Plc after a claim on his commercial motor insurance policy. He wants a settlement offer that's correct.

background

Mr T was involved in an accident and his van was damaged. AXA said the van was beyond economical repair and offered Mr T £2,000 as its pre-accident market value. The final settlement to Mr T was £1,080 with the deduction of the £400 policy excess, £60 for a missing MOT, and the £460 salvage as Mr T wanted to retain the van. But Mr T was unhappy with the valuation and the time it took AXA to pay him the settlement. He was also unhappy that he hadn't been provided with a courtesy vehicle. AXA offered Mr T £200 for its delays in making him an offer.

Our investigator didn't recommend that the complaint should be upheld. She thought AXA's valuation had been made according to our approach and was fair and reasonable. She thought AXA had caused delays of two weeks in the claim but she thought its offer of £200 compensation for this was fair. She didn't think Mr T was entitled to a courtesy vehicle under his policy's terms and conditions.

AXA later reclaimed its outlay from the other driver's insurer. This included Mr T's £400 excess which it refunded to him. Mr T asked for his complaint to be reviewed, so it's come to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr T was initially unhappy with the settlement AXA offered him and that he hadn't been provided with a courtesy van. He also thought AXA hadn't kept him updated and hadn't settled the matter as quickly as he thought it should. I can understand that being involved in an accident and making a claim can be a stressful and frustrating experience.

Mr T thought his van was worth around £2,500. He said he couldn't find a like for like replacement for AXA's offer. I can see that he provided ads for similar vans at higher prices. The investigator has explained this service's approach to car valuations in that we don't provide valuations for vans but seek to assess whether the insurer's offer is reasonable.

In assessing whether a reasonable offer has been made, we obtain valuations from motor-trade guides. These are used for valuing second hand vehicles. We find these guides to be particularly persuasive, largely because their valuations are based on nationwide research and likely sales figures. The guides also take into account regional variations. We also take all other available evidence into account, for example, engineer's reports.

I've seen that AXA instructed an independent engineer to assess the value of Mr T's van. He looked for the van in the three trade guides we use and found it valued in two of these. He made deductions for the van's condition which he thought was average for its age and mileage. This gave a valuation for the market value of the van of £2,000.

Our investigator checked how these valuations were made and I've looked at what she found. I think the valuations took into account the van's make, model, age, mileage, condition and features. So I think the independent engineer's valuation of the van's market price at the time of its loss was fair and reasonable

Mr T thought his van was worth more as it had a different engine. But I can see that the engineer used the correct make, model and registration number for Mr T's van. I haven't seen any further engineering evidence to challenge his view. So I think it was reasonable for AXA to rely on it.

Mr T provided ads of vans advertised at higher prices. But I think these aren't in the same condition as his van. So I can't say it was unreasonable for AXA to discount these. In any case, we don't find advertisements particularly persuasive as these are essentially asking prices and aren't selling prices. It's for this reason that the trade guides are used as they provide evidence of likely retail selling prices.

So I think AXA valued Mr T's van correctly according to our approach and the policy terms and conditions. So I think its final offer of £2,000 for the market value of the van was fair and reasonable. AXA then deducted the policy excess, the salvage value and the cost of an MOT. It paid Mr T £1,080 in settlement of his claim. I think this was fair and reasonable.

I can see that the other insurer refunded Mr T's policy excess to AXA and it has passed this to him.

Mr T said he was offered a courtesy van after the collision but this wasn't provided. I can see that Mr T's policy doesn't provide a courtesy vehicle in the case of a total loss settlement. This is only provided by the policy if the van is at an approved repairer.

Mr T told us he was offered a replacement van by his broker but heard nothing more after the other driver's insurer disputed liability. It may be that he was offered a replacement van through a credit hire and repair company but this would only deal with the claim if it was non-fault. But I can't see evidence that AXA offered Mr T a courtesy van.

Mr T said he'd been waiting many months for his claim to be settled. But I think AXA only needs to consider delays that occurred before it made its settlement offer to Mr T and sent him his payment. During this time, AXA agrees it didn't respond to Mr T's further evidence for two weeks. It paid his £200 compensation for this. I think that was fair and reasonable as it's what I'd require in similar situations. I don't require AXA to pay Mr T any further compensation.

my final decision

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 T to accept or reject my decision before 8 May 2019.

Phillip Berechree
ombudsman