

complaint

Mrs F has complained about Advantage Insurance Company Limited (trading as Hastings Direct). She isn't happy about the valuation it placed on her car when she claimed on her motor insurance policy and about the way her claim was handled.

background

Mrs F was involved in an accident and made a claim on her car insurance policy. Advantage decided her car was a write off and valued her car at £1500.

Mrs F complained to Advantage as she wasn't happy about the valuation and the way it handled her claim. She said that she was told the valuation was higher and felt that it didn't update her about the claim.

Advantage said that there wasn't any evidence that a higher settlement figure had been discussed. But it accepted that its service hadn't been good enough and that there had been delays. It apologised and offered Mrs F £100 compensation. But as Mrs F still wasn't happy she complained to this service.

Our adjudicator looked into things for her. She didn't think that there was sufficient evidence to show that a higher settlement had been agreed and she thought that Advantage's offer of £100 compensation was fair. But she thought that Advantage hadn't offered a fair market value for the car based on its own engineer's report and the trade guides.

Advantage didn't agree. It thought that this should be a new complaint point. So the matter has been passed to me for review.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I think that the complaint should be upheld. I'll explain why.

I agree with our adjudicator that there isn't sufficient evidence to say that Mrs F was told she would get £1500 as a market value for her car. And that £100 compensation is fair in acknowledgment of the poor service and delay that Mrs F faced in advancing her claim.

But it is clear from the trade guides and Advantage engineer's notes that it has undervalued her car. And it is clear that Mrs F wasn't happy with the valuation so I would've expected Advantage to have looked into this as part of its investigation into her complaint. I wouldn't expect Mrs F to have to raise a separate complaint about this. Good customer service and complaint handling would suggest that this should've been looked at in the first instance by Advantage. As such I agree that this aspect of the complaint, which is intrinsically linked to Mrs F's original complaint, should be looked at here.

Advantage knows how we look at valuation complaints and so I would've expected it to resolve this without the need for delaying Mrs F's complaint further.

When looking at valuations placed on cars by insurers we consider the approach they have adopted and decide whether or not the valuation is fair in all the circumstances. We pay particular attention to the various trade guides used for valuing vehicles, as well as other

evidence provided by both sides. This might include advertisements for the sale of similar cars; although I place less weight on advertisements than on the trade guides as cars don't normally sell for the price they are advertised. Generally we will only tell an insurer to increase its valuation if we consider it is unfair.

The trade valuations, and Advantage engineer's report, suggest that the value of Mrs F's car was around £1465, not £1300. So, as it is only fair that Mrs F should be paid the market value of her car, in line with the policy terms and conditions, I think that Advantage should increase its valuation. It should also pay interest for the time Mrs F has been without the additional money in line with our usual approach.

Finally, I think that Mrs F should be paid an additional £100 compensation. This is because Advantage should've ensured that she was paid the market value of her car in the first instance and its failure has caused her additional inconvenience.

my final decision

It follows, for the reasons given above, that I uphold this complaint. I require Advantage Insurance Company Limited to pay Mrs F the market value of her car (£1465) less any excess owed. It should add 8% simple interest to the outstanding amount from the date of claim until the date of settlement and pay her an additional £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 4 July 2019.

Colin Keegan
ombudsman