

complaint

Miss A and her representative complain about the market valuation Advantage Insurance Company Limited (trading as Hastings Direct) applied to her vehicle, that it would not return the vehicle to her as part of her settlement and about its administration of her claim.

background

Miss A held a motor insurance policy with Advantage and was involved in an accident. Her vehicle was deemed to be a total loss by Advantage's approved repairers and was sent to a third party. Advantage offered to pay the market value of the vehicle which it eventually assessed at £2,990. Miss A was unhappy that the vehicle was deemed a total loss and considered this valuation was too low. She also asked for the vehicle to be returned to her but Advantage said that it was not able to do so under the terms of the policy and she should contact the third party. Advantage has subsequently increased its offer to £3,120 based on the average of the values for the vehicle shown in trade guides.

Our adjudicator recommended that the complaint should be partly upheld. In summary, he considered that:

- Having checked the two motor trade guides that gave a value for this make and model of vehicle (valuations of £2,990 and £3,250) he was satisfied that Advantage's most recent offer of £3,120 was fair and reasonable.
- Advantage has said that the vehicle was sent to the third party to mitigate storage costs. But he was satisfied that it did so without telling Miss A or getting her permission. Advantage should have contacted Miss A before doing so and had it done so, she would have had more options including asking the approved repairer to return the vehicle to her.
- The terms of Advantage's policy said that it was entitled to take possession of the vehicle once it had settled a claim but in this case it had done so before the claim had been settled as Miss A had not agreed to the settlement offer.
- Regardless of this, Advantage should also have offered to return the vehicle to Miss A with the market valuation less the salvage value. This would have been a fair and reasonable option especially as she had stated on numerous occasions that she wanted the vehicle returned to her.
- In any event the vehicle was released by Advantage while the valuation and claim was still in dispute. This was unreasonable and Advantage released the vehicle without Miss A's permission and against her wishes.
- Advantage should pay £250 to Miss A in recognition of the distress and inconvenience caused.

Advantage does not agree. In summary, it says that:

- A claim was registered and Miss A had instructed it to deal with it under the terms of the policy. It informed her of the total loss decisions in a reasonable time frame and it was not unreasonable to put the car in free and safe storage as the policy says it

can. This has not prejudiced her as it explained to Miss A that for her to retain the vehicle she would need to withdraw from the claim.

- It did not refuse to let Miss A have the vehicle back but where a claim is settled by way of a total loss the policy terms stipulate that Advantage has the right to retain the vehicle salvage. It is not good practice for an insurer to allow a policyholder to retain their vehicle when it has almost £3,000 worth of damage.
- But it was inappropriate of it to release the vehicle prior to agreement of the settlement although this only prejudiced her position if she if she intended to withdraw from the claim.

Miss A says she wants her premiums refunded and she is unhappy that Advantage will not insure her at renewal and with the policy's no claims discount protection.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I am satisfied that the sum of £3,120 offered as the market value of Miss A's vehicle was fair and reasonable.

The terms and conditions of the policy do make clear that Advantage may put any car that is a total loss in free and safe storage until the claim is settled. As such I do not consider that Advantage did anything wrong in passing the car to the third party for storage or that it had to get Miss A's permission to do so. But I consider it would have been appropriate for it to have told her it was doing so that she was aware it would no longer be located at the approved repairer. This may also have allowed her to consider and discuss with Advantage the possibility of retaining the vehicle and collecting it from the approved repairer before it was moved.

As the adjudicator has also indicated, possession of the vehicle only passed to Advantage once the claim was settled, not while the claim was ongoing and settlement had yet to be agreed. So Advantage's release of the vehicle to the third party was premature and done before Advantage had, or was entitled to, possession of the vehicle. It was also done without Miss A's knowledge and it would appear against her wishes. Advantage has accepted that it was inappropriate of it to release the vehicle to salvage prior to agreement of the claim's settlement.

I agree with the adjudicator that Advantage's actions may have deprived or discouraged Miss A from entering into a more detailed communication with it about her desire to retain the vehicle.

Miss A made clear repeatedly her desire to retain the vehicle. Advantage says it considers that to have agreed to allow her to do so, given the level of damage, would have been poor practice. I do not consider that Advantage was obliged to agree to Miss A's request. But given that the vehicle was a category D write off, I consider it would have been fair and reasonable for Advantage to have at very least considered Miss A's request to retain the vehicle more fully and discussed it with her. As it was the opportunity for any possible discussion and agreement was ended by Advantage's premature release of the vehicle

before the settlement was agreed. I consider this at very least deprived Miss A of the opportunity to explore fully her options with Advantage.

Overall, I consider that Advantage's communications with Miss A and its handling of her claim could have been better not least given Miss A expressed the repeated desire to retain the vehicle.

I find that as a result Miss A has been caused some unnecessary distress and inconvenience which warrants an award of compensation. Taking into account all the circumstances and the level of awards we make, I agree with the adjudicator's recommendation that £250 is a fair and reasonable award.

Miss A has also said she seeks the refund of her premiums. Miss A took out an insurance policy for a year and in that time she has made a claim. The policy has therefore been "used". So it would not be fair or reasonable to require Advantage to refund the premium to her.

Consequently, I see no compelling reason to change the proposed outcome in this case.

In the course of this complaint Miss A has also raised new issues, about her no claim protection and Advantage's refusal to renew her insurance. As these are new issues I cannot deal with them in this complaint. If she wishes to pursue these matters, she should raise them in the first instance directly with Advantage.

my final decision

My final decision is that I partly uphold this complaint. In full and final settlement of it, I order Advantage Insurance Company Limited (trading as Hastings Direct) to pay the sum of £250 to Miss A.

Stephen Cooper
ombudsman