

complaint

Mr D complains that Tesco Underwriting Limited did not make a reasonable total loss offer for his motor vehicle when he made a claim under his motor insurance policy. He is also unhappy about its poor service and delay in settling his claim.

background

Mr D's vehicle was stolen and he reported this to Tesco. It asked him to provide vehicle documents but as it had no response from Mr D it closed its file. Four months later Mr D called Tesco asking for an update. He said he had sent it the vehicle documents but these had been lost in the post. The claim was re-opened.

Mr D again sent in the vehicle documents and Tesco made an offer of £3,000. But Mr D rejected this asking for £8,000. Tesco contacted Glass's Guide but it was unable to value cars (like Mr D's) registered in 1991 and it did not increase its offer. Mr D declined an interim payment from Tesco on two separate occasions. Mr D sent in adverts to support his valuation but Tesco did not find them persuasive. But it contacted the auction house where Mr D had bought the vehicle and it then increased its offer to £3,720. Mr D declined this revised offer as still being too low.

Mr D remained unhappy with the service he was given and complained that Tesco's valuation of his vehicle was too low.

Our adjudicator partly upheld the complaint. She considered that:

- Whilst Tesco is not responsible for any failings in the postal service it should not have just closed the claim as it did as it was apparent that Mr D was making a claim on his policy. She recommended that Tesco should pay Mr D £200 compensation for the unnecessary delays it had caused. But Tesco had acted reasonably by offering an interim payment.
- She had contacted Glass's and CAP Guides to obtain a bespoke value for the vehicle but neither company was able to provide this due to the age of Mr D's car. It was also too old to appear in Parker's Guide.
- She had compared Mr D's adverts to the V5 vehicle registration information and carried out her own internet research. She had found the same vehicle, for the same registration year, with a lower mileage for £2,650. Consequently taking into account the date of loss Tesco's offer of £3,720 was reasonable.

Mr D does not agree. He still considers £8,000 is a fair valuation of his vehicle.

Tesco disagreed with the proposed award of £200 compensation. But it sent this payment to Mr D in error. It initially said it would not dispute the sum proposed to avoid another complaint being raised about the cheque being sent in error but it now disputes that it is responsible for the delays that occurred. It says that it requested vehicle documents and spoke to Mr D's son about two weeks later about the tax disc. It says it also sent a letter to Mr D some weeks after that saying the claim would be closed if there was no contact within four weeks. Despite this there was no response from Mr D for some time.

my findings

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

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

Having done so, I agree with the conclusions reached by our adjudicator for broadly the reasons given.

It is not for this service to give an exact valuation of a vehicle but to consider if Tesco has made a reasonable offer of settlement.

We normally decide what constitutes a fair value for a vehicle by reference to the main motor trade guides for valuing second-hand cars and any evidence submitted by the parties. But in this case values from the main trade guides are unavailable due to the age of Mr D's vehicle.

I have therefore considered all the other evidence that is available. Mr D has provided some advertisements which he says support his view that Tesco's valuation is too low. But prices in advertisements (unlike the values in the main trade guides which are based on actual selling prices) allow a margin for negotiation. The adverts provided by Mr D are for cars registered some years later than his and with a different specification. Consequently I am not persuaded on balance that Tesco's valuation of £3,720 is unfair or unreasonable. I have also seen nothing to support Mr D's suggestion that his car was worth £8,000. I do not therefore uphold this part of the complaint.

But there is nothing in Tesco's file notes to suggest that Mr D had decided to withdraw his claim and I am not persuaded that Tesco acted reasonably by closing the claim when it did. This contributed to the delay in the claim being dealt with. Tesco says it wrote to Mr D but there is no evidence of this. Tesco has not provided a copy of the letter or proof that it was sent. I therefore uphold this part of the complaint and I agree with the adjudicator that it is fair and reasonable for Tesco to pay Mr D £200 compensation.

Overall, although I recognise Mr D's strength of feeling, I see no compelling reason to change the proposed outcome in this case.

My role as an ombudsman is to consider the individual complaint and decide whether something has gone wrong. But a court may take a different view of the situation. Should Mr D not accept my final decision then any rights he may have to take action in the courts against Tesco are unaffected and he will be free to pursue his arguments in any court action that may arise, if he so wishes.

my final decision

My final decision is that I partly uphold this complaint and I order Tesco Underwriting Limited, if it has not done so already, to pay £200 compensation to Mr D.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr D to accept or reject my decision before 27 March 2015.

Stephen Cooper
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