

complaint

Mr S complains UK Insurance Limited ("UKI") were unable to provide him with a new replacement car under his car insurance policy.

background

Mr S complained to UKI after his six month old car was written off and it was unable to provide him with a new or similar replacement.

UKI provided Mr S with the market value of the car as a new or similar replacement was unavailable. Mr S was unhappy with this and requested UKI pays him the new value of the car.

Mr S was particularly unhappy as he was wrongly informed on more than one occasion by UKI that a new car would be provided. UKI offered to pay Mr S £75 for this error before the complaint was referred to this service.

Our adjudicator considered UKI had acted fairly and reasonably by providing Mr S with the market value of his car from the date of total loss. However, he was not persuaded the compensation amount offered by UKI was adequate in the circumstances and increased this to £150.

Mr S remains unhappy so the complaint has been passed to me for a final decision.

my findings

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

The terms and conditions of the policy state:

'Section F Other benefits

4. New car cover

If your car is less than one year old and you are the first and only registered owner, we will replace it with one of the same make and model if it has

- been stolen and not found; or*
- suffered damage covered by the policy and the cost of repairing is more than 60% of the last United Kingdom list price (including taxes).*

We can only do this if a replacement car is available in the UK and anyone else who has an interest in your car agrees.

If a suitable replacement car is not available, or your car was not supplied as new in the UK, we will pay you the market value of your car at the time of the loss (less any excess that may apply). If we settle a claim under this clause, the lost or damaged car becomes our property and you must send us the registration document.'

I am satisfied UKI has acted in line with the terms and conditions of the policy by providing Mr S with the market value of his car from the date of total loss. His particular car has been upgraded and the new model is different. UKI has acknowledged errors were made on

several occasions by giving Mr S incorrect information with regards to the settlement of his claim.

Whilst I sympathise with Mr S, particularly in receiving mis-leading information, the policy term is clear and allows UKI to provide the market value of the car. Therefore I am not persuaded Mr S is entitled to the value of a new car.

Although the recurring errors would have caused Mr S some distress and inconvenience, I am satisfied the increased award of compensation recommended by our adjudicator is sufficient to cover this.

my final decision

My final decision is I uphold this complaint in part. I order UK Insurance Limited to pay Mr S £150 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 19 June 2015.

Christopher Tilson
ombudsman