

complaint

Mr H complains that Premier Insurance Company Limited didn't offer him enough for his written-off car and failed to sort out blame for an accident properly.

background

Mr H's car was hit from behind by another car. He thought Premier didn't do enough to get the other party's insurer to settle the claim. The other insurer agreed to settle after around two months, but it did so 'without prejudice'. That meant it could later argue about blame for the accident if more evidence came to light. Mr H also thought he should have been paid £1,500 for his car rather than the £1,022 he was offered.

Our adjudicator thought Premier did enough to chase the other insurer, which had delayed in responding to Premier. She thought the offer it made for Mr H's car was fair.

Mr H disagreed with the way the car had been valued. He wanted confirmation that the other insurer had accepted full blame for the accident. He also queried why the adjudicator had said some issues he raised weren't Premier's responsibility or couldn't be looked at by us.

As there was no agreement, the complaint was 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. I don't think it should be upheld.

Mr H sent a letter for the attention of the ombudsman who'd be dealing with his complaint. He set out again why he didn't think Premier had dealt with the claim properly. He also said why he thought it and his broker were responsible for various issues.

I think Premier acted reasonably in dealing with the other insurer. It can show it contacted the insurer on the day of the accident. It wrote to the other insurer a few days later holding it responsible. The other insurer didn't tell Premier it was disputing liability for around six weeks. It didn't agree to settle the claim for a further two weeks. I can't see how Premier could have done anything to make the other insurer respond differently.

It seems the other insurer wasn't happy that all its enquiries were complete. The ongoing query seems to have been about who owned the other car at the time of the accident. No-one suggested Mr H was responsible for what had happened. The other insurer offered to settle "*without prejudice*" so it could later look at the claim again if any new information emerged. It's not unusual for insurers to do that. I think the insurer had the right to make all the enquiries it thought necessary. Premier wasn't able to interfere with that.

Mr H thinks Premier should have tried to get the highest reasonable sum from the other insurer for his car. I think it did. Our view is that the fairest way to value cars is to look at the prices given in the national trade guides. We encourage insurers to take that approach. Premier looked at three guides, one of which was out of line with the other two. Our checks of the trade guides showed the sum it arrived at for the market value of Mr H's car was fair.

I don't doubt Mr H has quoted the prices he's seen advertised for similar cars accurately. But selling prices for cars are usually inflated, to allow for negotiation. They don't usually reflect a

car's market value. Estimates from garages are also of limited value. I don't think it's fair to say Premier let Mr H down by not making sure he was paid more for the car.

Mr H also thinks Premier should have made sure he got his policy excess back quickly, but that wasn't something for Premier to do. A policy excess isn't a loss that's covered by a motor insurance policy. It's payable by a consumer regardless of blame. Consumers normally get it the loss back from the other party's insurer directly if the other party's at fault.

If a consumer has legal expenses cover (as Mr H did) the legal firm providing it normally deals with any losses not covered under the motor insurance policy. Mr H isn't happy about the actions of the legal firm in question, but that's not something we can look at. Legal firms don't fall within our remit. Mr H doesn't see why he should have to approach the Legal Ombudsman service about this issue. I can see that means more time and effort on his part, but I agree with the adjudicator that it's the way forward with the issue.

Mr H is also unhappy with his broker. He thinks it should take responsibility for the actions of the legal firm. I can't look at the way the broker acted as part of this complaint. A separate complaint against the broker's been set up. Mr H also thinks the broker should be responsible for Premier's actions, but I don't agree. Claims handling under the motor insurance policy falls within Premier's remit, not the broker's.

I think it's understandable Mr H found it frustrating that after he reported a straightforward accident, several different firms were involved in dealing with various aspects of it. I think that caused confusion, and in my opinion Premier could have explained the situation better to Mr H. But I don't think it delayed unreasonably in dealing with the complaint or issuing payment for the car. Overall I think it acted fairly, so there's no basis for me to uphold Mr H's complaint about Premier.

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 Mr H to accept or reject my decision before 19 February 2016.

Susan Ewins
ombudsman