

complaint

Mr H complained about how CIS General Insurance Limited handled his total loss claim under his motor insurance policy.

background

After Mr H's car was damaged in an accident, CIS declared it uneconomic to repair and paid Mr H his car's market value. CIS then sold his car to their salvage agent who sold it on to a private buyer as a "Category D write off". This is permissible, and the salvage agent would have had to tell the buyer about that.

Later, a new owner of the car came to Mr H's home to complain about the car. He'd got Mr H's name and address from papers which came with the car, including Mr H's registration document. The new owner told Mr H that the man who sold him the car had pretended to be him.

Mr H complained to CIS. He was unhappy that their salvage agent had given out his personal details. But CIS said that their salvage agent, for whom they were responsible, hadn't done anything wrong. They'd followed their industry code of practice in giving the owner registration document to the person they sold the car to. This still showed Mr H as the owner as, despite their request, Mr H hadn't sent CIS the part of the registration document necessary for them to change ownership into their or their salvage agent's name.

Mr H remained dissatisfied and so brought his complaint to us. He wanted CIS to compensate him for having divulged his personal details. He also wanted to know if the valuation CIS paid him was correct.

The adjudicator didn't recommend that his complaint should be upheld. He thought that CIS had dealt with the matter fairly. He explained to Mr H what our approach was regarding complaints about car valuations. We don't decide what the market value of a car is; we merely consider whether or not the insurer has reached a fair and reasonable amount having regard to the valuations in the trade guides. The adjudicator found that CIS's valuation of Mr H's car was more than those in the motor trade guides, so he thought their payment was reasonable.

As CIS were allowed to sell Mr H's car, and they and their salvage agent had followed the correct process (including an industry code of practice), the adjudicator didn't think CIS could be held responsible for the new owner appearing at Mr H's house.

Mr H didn't agree and so his complaint has been passed to me to decide.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As the adjudicator explained to Mr H, we don't decide what the market value of a car is. Having checked the motor trades guides to see if CIS's valuation of Mr H's car was reasonable and in line with them, the adjudicator found that CIS had paid Mr H more than the guides suggested. So this was clearly reasonable.

Mr H said that CIS had told him on the phone to give his documents to the salvage agent. CIS didn't agree. They hadn't recorded the calls by their staff member, but they did send us his notes of his calls with Mr H. The notes are detailed and comprehensive, but they don't support Mr H's claim. Mr H said that in any event CIS should only have used his documents to value his car, not to give them to a buyer. And he thought that the salvage agent should have changed the ownership details on the registration document before they sold the car on. But although CIS asked Mr H to send them the part of the registration document so they could do that, he didn't do so (though he did tell DLVA as he was legally required to do).

CIS said that they hadn't done anything wrong because they'd complied with their industry code of practice about how to deal with class D write offs. I've looked at that code and see that it does tell salvage agents to pass the owner registration document to someone who buys the car from them. So I think CIS and their salvage agent did comply with it. Mr H didn't think it mattered that CIS had followed their code of practice, as it wasn't law. But although that's true, it is an industry code of practice produced by a number of agencies, including insurers, the police and the DVLA, and so I'm satisfied that it does set an industry standard for behaviour on the issue concerned here and that it was reasonable for CIS to follow it.

I can see that it must have been a worrying experience for Mr H when the new owner of his car came to his home and complained about the car, especially when he was abusive. Mr H had told DVLA that he no longer owned the car, and he was able to give the new owner proof of that. But he was still worried that he would return. But although this must have been upsetting, I don't think that it was CIS's fault. They'd been following the right process when they passed on the registration document to the person they sold it to. In any event the registered owner of car can obtain from DVLA all previous owner's names and addresses, so the new owner could have got this information about Mr H anyway. His wish to do that was motivated by what would appear (though we don't have actual evidence of that) to be the actions of a fraudster. In these circumstances I don't think it would be fair to hold CIS or their salvage agent responsible for the new owner's visit to Mr H.

my final decision

For the reasons I've given above it's my final decision that I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 23 June 2016.

Rosslyn Scott
ombudsman