

complaint

Miss G complains about the valuation UK Insurance Limited ("UKI") placed on her car after it was declared a total loss. She thought she'd been offered a trade price and it was less than similar cars she seen advertised for sale.

Mrs G, Miss G's mother, brings the complaint on her behalf.

background

Miss G's car was flooded while it was parked in an underground car park. Miss G was given a hire car under her policy while her insurer, UKI, arranged for the damage to be inspected once the car could be retrieved. It was found to be a total loss.

UKI offered Miss G what it considered to be the pre-accident market value of her car. But Miss G didn't think this offer was fair.

UKI reviewed its assessment of the car's value and set out an explanation of how it had arrived at the valuation figure. It had initially made a deduction as the car's MOT had nearly expired, but it removed this and its offer increased by £50.

Our adjudicator thought UKI had made a fair offer for the pre-accident value of Miss G's car. He looked at the trade guides and the offer was in line with the values they gave for Miss G's make and model of car, taking into account its age and mileage.

On Miss G's behalf, Mrs G said she didn't think the offer was enough to allow Miss G to replace her car. She didn't think Miss G was being offered the fair market value of her car and wasn't being put back into the position she was in before.

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've looked through the information that Mrs G provided from the car dealership and the adverts of similar cars. I fully appreciate what Mrs G has said and why she doesn't think UKI's offer represents the pre-accident value of Miss G's car.

In considering what represents a fair value for a car, we refer to the motor trade guides which give values based upon the actual price a second-hand car has been sold for. We think these guides let us see the fair value of a car as they're based on national research of the actual selling process. Specifying the vehicle registration, model and mileage we can use the guides to carry out a detailed search. The value they give is an average and takes into account cars selling at higher and lower prices.

The adjudicator has completed this search for Miss G's car using two of the guides and these both gave similar values. UKI's offer is in line with these.

Although the adverts the dealership has given Mrs G are for cars for sale for higher amounts than this offer, I'm satisfied that UKI's offer represents a fair valuation in the circumstances here.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 17 February 2017.

Cathy Bovan
ombudsman