

complaint

Miss L is unhappy with the valuation placed on her car by Markerstudy Insurance Company Limited and the service provided to her under her motor insurance policy.

background

Miss L had a motor insurance policy with Markerstudy. Her car was written off and she is unhappy with the valuation placed on the vehicle by Markerstudy. She says it is too low given its condition and mileage. She was given a courtesy car for a time but this was taken away without warning. She also complains about delays in dealing with her claim and she seeks reimbursement of her expenses and compensation.

Markerstudy considered her complaint and its engineer reviewed the valuation. As a result it increased the valuation to £2,250 taking into account the car's dirty interior (which it said would need valeting if it was sold) and some pre accident damage. Markerstudy also accepted that its claims team did cause an unnecessary delay in validating her claim and it apologised and offered £150 as a gesture of goodwill for any distress and inconvenience caused. Miss L remains unhappy with the valuation and seeks reimbursement of additional expenses she incurred. She has also submitted evidence supporting her view on the valuation.

Our adjudicator recommended that the complaint should be upheld. In summary she considered that:

- As set out in the policy Markerstudy was only required to pay Miss L the market value of her car which is the retail price she would have had to pay for the car immediately before the loss. We do not calculate a precise valuation for the car but establish whether Markerstudy has made a fair and reasonable offer.
- We obtain valuations from motor trade guides which are used for valuing second hand cars. Their valuations are based on nationwide research, take into account regional variations and actual sales figures. We also consider engineers' reports.
- Having obtained valuations from the motor trade guides Markerstudy's valuation was slightly below what we would have recommended. It should therefore increase its offer for the valuation by a further £150 and pay interest on this sum at the rate of 8% from the date of loss to the date of settlement. Markerstudy has agreed to this.
- We would expect a degree of damage to a car of this age and it is unfair for Markerstudy to deduct a further sum for this. Markerstudy has agreed to refund £178.33 it has deducted for this and to pay interest on this sum at the rate of 8% from the date of loss until the date of settlement.
- Miss L attempted to mitigate her loss by insuring another vehicle on her policy at a cost of an additional premium of £246.06. Markerstudy should also reimburse this sum and interest on it at the rate of 8% from 1 November 2012 until settlement. Markerstudy has agreed to this.

Miss L and her representative still consider the valuation to be too low. They have asked for an ombudsman review. They also say that it was not made clear to Miss L that cashing the cheque as an interim payment would not jeopardise her challenging the valuation made. They want interest at 8% paid on the full amount offered for the car from the date of loss until settlement and not just on the additional £150. Markerstudy has agreed to this.

my findings

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

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

Furthermore as the adjudicator has explained we decide what constitutes a fair value by reference to the motor trade guides for valuing second-hand cars and any evidence submitted by the parties including engineers' reports. The adjudicator assessed the value of the car by using CAP and Glass's Guides. Parkers' Guide did not go back to the year of registration of Miss L's car. On balance I consider that the adjudicator's conclusions are reasonable. Miss L and her representative have questioned the figures in the motor trade guides and their interpretation. They have produced further evidence from discussions with motor trade dealers. But I place most weight on the main trade guides as they are based on actual selling prices rather than advertised prices, which allow a margin for negotiation. As the adjudicator has also said it is not for us to provide an exact valuation of the car – we must merely consider if the current increased offer from Markerstudy is fair and reasonable. Overall I consider it is.

Consequently, although I recognise Miss L's strength of feeling, I find that Markerstudy's most recent valuation offer and agreement to the adjudicator's recommendation is, on balance and taking account of the mileage and condition of Miss L's vehicle, a fair and reasonable settlement of this complaint. Overall I see no compelling reason to change the proposed outcome in this case.

Additionally I note that Markerstudy has also already offered to pay Miss L (as a gesture of goodwill) the sum of £150 compensation for any distress and inconvenience caused by its delays. That is reasonable. It said it would forward a cheque to Miss L for that amount but it is not clear to me if that sum has been paid to her or not. If it has not been paid then I consider it is reasonable that it should be paid to her.

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 Miss L not accept my final decision then any rights she may have to take action in the courts against Markerstudy are unaffected and she will be free to pursue her – and her representative's - arguments in any court action that may arise, if she so wishes.

my final decision

My final decision is that I uphold this complaint and I order Markerstudy Insurance Company Limited (if it has not already done so):

1. To pay Miss L the further sum of £150 to reflect the increase in the valuation of her car;
2. To refund to Miss L the deductions it made totalling £178.33;
3. To pay Miss L interest at the rate of 8% simple a year on the sum of £2,150 (being the full £2,400 valuation of her car less her £250 insurance excess) from the date of loss until the date of settlement;

4. To reimburse to Miss L the additional premium she paid of £246.06 together with interest on this sum at the rate of 8% simple a year from 1 November 2012 until the date of settlement; and
5. To pay Miss L the sum of £150 compensation for the distress and inconvenience caused.

If Markerstudy considers it has to deduct tax from the interest element of my award, it should send Miss L a tax deduction certificate when making payment. She can use that certificate to try to reclaim the tax, if she is entitled to do so.

Stephen Cooper
ombudsman