

complaint

Mr K has complained about QBE Insurance Europe Limited ("QBE")'s valuation of his vehicle, following a total loss claim made under his motor insurance policy. He also believes that QBE has failed to deal with his claim in a satisfactory way, including reimbursing his travel costs.

background

QBE offered Mr K £6,222.50 following the total loss of his vehicle. However, he believes this should be increased to £7,995, based on an independent engineer's opinion which he obtained.

Mr K also feels his costs should be reimbursed for the alternative transport arrangements he made, which he believes were necessary as a result of QBE not issuing him with an interim payment to enable him to buy a new car. These costs were hire car charges of £768 and insurance on a family car of £106. He would also like to be compensated for his time and the inconvenience caused at the rate of £50 a day.

Mr K has also complained about the level of communication and lack of updates by QBE.

The complaint was considered by two adjudicators at this service. Neither considered that the complaint should be upheld. The second adjudicator noted that Mr K's policy entitled QBE to settle his claim by paying him the market value for his vehicle at the time of loss. He explained our approach when considering vehicle valuations and, after consulting the trade guides, did not recommend any increase in valuation.

In respect of the hire car charges and insurance costs, the adjudicators both considered that QBE was unable to issue Mr K an interim payment, because it was awaiting documentation from him. Although Mr K's broker provided us with a copy of a fax header sheet which suggests that some documents were faxed to QBE in December 2010, QBE's position was that it only received the registration document in January 2011 and the full documents were not received until February 2011.

Further, QBE provided a timeline of the events that had taken place concerning Mr K's claim to his broker by email in February 2011.

In the email it said it that it faxed over a registration document in January 2011. The broker responded to the email and made no mention of having faxed documents on an earlier occasion. Accordingly, the adjudicator was not satisfied that QBE had actually received the full set of documents in December 2010.

my findings

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

valuation

In respect of the valuation of Mr K's vehicle, his policy, in common with most motor policies, entitles QBE to settle a claim by paying him the market value at the time immediately prior to the loss.

In considering such disputes, we primarily rely on the various motor trade guides which are available - Parker's, CAP and Glass's. We consider these to be reliable as they show data of actual sale prices achieved.

Having checked the trade guides myself, and taking into account the mileage of Mr K's car, I note that CAP provides a value of £6,805, Parker's £3,655 and Glass's £6,500. As the Parker's value is out of line with the other valuations, I have disregarded this figure.

It is fair to take into account any pre-accident damage to the car, as this also affects its value. An engineer found all the wheel arches of Mr K's vehicle had corroded and the rear bumper had been grazed. Another independent engineer identified corrosion to the front and rear wheel arches and scuff marks on the near side rear corner of the bumper. Based on the evidence, I consider the deduction for condition to be fair.

In light of the above, taking into account the Glass's and CAP valuations and the deduction for pre-accident damage, I consider a fair valuation to be in the range of £5,975 and £6,280. I therefore consider QBE's offer of £6,222.50 to be appropriate.

expenses and compensation

With regards to the additional costs that Mr K is claiming for, I am not satisfied that QBE did receive the documentation in December 2010. I am aware that Mr K has sent in a statement from the broker confirming when it sent the documents. However, I am still persuaded, for the reasons given by the adjudicator, that a full set of documents was not received until February 2011.

I therefore agree that QBE did not unreasonably delay in issuing its settlement to Mr K, given that it was awaiting documentation from him.

Although I appreciate the time that Mr K has spent on his claim, it is inevitable that a policyholder will suffer some form of inconvenience and have to devote time to dealing with their claim. This service does not award compensation for this based on a daily rate.

customer service

On review of QBE's correspondence file, I am satisfied it communicated with both Mr K and his broker appropriately and in a prompt manner. QBE has also taken steps to consider Mr K's concerns and provide a way forward to resolve the matter – in particular, QBE arranged for meeting with the independent engineer to discuss the different valuations that had been obtained and covered the cost of the meeting. It also issued an interim payment to Mr K when it was in receipt of the necessary documentation.

my final decision

My final decision is that I do not uphold this complaint and I make no award against QBE.

Elspeth Wood
ombudsman