

complaint

Mr K complains about the valuation U K Insurance Limited ("UKI") placed on his car after it was declared a total loss. He believes the pre-accident value of his car was £2,000 and not the £1,600 he has been offered and paid.

background

UKI offered and paid Mr K what it considered to be the pre-accident market value of his car. But Mr K didn't think this offer was fair.

Our investigator thought UKI had made a fair offer for the pre-accident value of Mr K's car. He looked at two trade guides and in his view the offer was in line with the values they gave for Mr K's make and model of car taking into account its age, mileage, added extras and the fact that it had been previously written off.

Mr K didn't agree and so the matter has been passed to me for review and decision.

my findings

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

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 investigator has completed this search for Mr K's car using two of the guides and these gave values of £1,810 and £2,191, an average price of £2,000. But given Mr K accepts that his car was previously been written off I don't think it was unfair or unreasonable for UKI to reduce this average price of £2,000 by 20% to £1,600.

I accept that Mr K's car had a number of factory fitted extras, but I'm satisfied that these are reflected in the guide prices of £1,810 and £2,191 returned by the investigator's search.

It's not our role to decide a valuation. Our role is to look at whether an insurer has reached the valuation of a vehicle in a reasonable way. And in this case I'm satisfied that this is what UKI has done. Therefore it doesn't need to pay Mr K any more.

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 Mr K to accept or reject my decision before 24 May 2017.

Peter Cook
ombudsman