

## **complaint**

Mrs P is unhappy with the way Admiral Insurance Company Limited has handled her claim under her motor insurance policy. Mr P is Mrs P's representative in this complaint.

## **background**

In August 2016 Mrs P was involved in a road traffic accident which wasn't her fault. Mrs P says there was minimal damage to her car. But Admiral received a 'desktop' repair estimate from an approved engineer who said there had been pre-accident damage. And because of this it was beyond economical repair. So the car was classified as a category D write off and Admiral logged it on the Motor Insurance Anti-Fraud and Theft Register ("MIAFTR").

Mr P called Admiral to discuss the offer it had made. He felt the quote for the repairs was too high. Admiral said the car's market value was £1,625 and the estimate to repair the car was £1,353. But Mr P got a cheaper quote from a third party. Admiral said it wouldn't authorise the repairs because the third party used recycled parts.

During this call Mrs P was asked to have a conference call with the driving and vehicle licensing agency ("DVLA"). Mrs P was asked to confirm that she had a clean license. Mr P was unhappy as he didn't think this was necessary. And he later received a letter from the DVLA saying there is no need for an insurance company to ask a registered keeper to contact it in relation to a settlement.

Overall Mr P remains unhappy because he says Admiral incorrectly categorised Mrs P's car as a write off and put an entry on MIAFTR. Mr P arranged to have the car repaired by a third party for a cheaper price than what Admiral quoted. But he says because there is a log on MIAFTR it's effected the cars market value. Mr P doesn't think Admiral should be allowed to do this without Mrs P's permission.

An investigator at our service looked into Mrs P's complaint but he didn't think Admiral had done anything wrong. Mr P didn't agree with the investigator's opinion so he asked for the case to be passed to me to consider.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I won't be asking Admiral to do anything further. I will explain why.

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 doing so we pay particular attention to the various trade guides used for valuing cars. We think these guides let us see the fair value of a car as they're based on actual rather than advertised prices, which are usually inflated for negotiation purposes. The value they give is an average and takes into account cars selling at higher and lower prices. Also as our investigator has explained we have to rely on the evidence provided by the experts when it comes to assessing the cost of the repairs.

I've considered the engineers report, photo images and both parties' testimony. And having checked the trade guides I'm satisfied the overall offer made by Admiral was fair and reasonable.

I understand that Mr P is unhappy that the engineer categorised the car as a category D write off. But the repairs estimate exceeded 60% of the market value. So I don't think it's unreasonable for Admiral to have classified the car as uneconomical to repair as this is the approach most insurers would take. And while Mr P was able to get a cheaper quote for the repairs to be carried I don't think Admiral was unreasonable for refusing to authorise these repairs. I say this because the parts would be replaced with used parts, and because Admiral was unaware of the history of the used parts, it felt it couldn't be sure the parts were road worthy.

Admiral has a duty to submit an entry on the MIAFTR in respect to all total loss vehicles as soon as possible, specifying the category of the write off. By doing so it meets the regulatory requirements for insurers to notify the DVLA under the Road Vehicles (Registration and Licensing) Regulations 2002. So once Admiral had become aware that the car was beyond economical repair, it had to report it. With that in mind I can't say it has acted unreasonably by doing so.

I've listened to the call between Mrs P, Admiral and the DVLA. Admiral clearly explains that the conference call is needed in order to complete a license check. Mrs P is asked to complete the usual security checks and is asked if she is happy for the DVLA to release her license details to Admiral. Mrs P agrees and Admiral asks two questions, what license she holds and if she has any endorsements or convictions. After that is completed the conference call ends and Mrs P and Admiral continue to discuss the settlement.

So while I appreciate that the DVLA has told Mr P there is no need for them to be included in a conference call when discussing an offer between the insured and insurer, this wasn't the purpose of the DVLA being included in the call in this case. It was simply to complete a licence check. But in any event, I can't see how Mrs P was impacted by this or how this caused her any trouble or upset.

### **my final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision 28 July 2017.

Jade Rowe  
**ombudsman**