

complaint

Mr E is unhappy about the settlement valuation Kindertons Ltd got for his van after it was deemed a total loss following a road traffic accident.

background

On 3 October 2018, Mr E acquired a van on finance, for £4,800 plus VAT and paid a £1,000 deposit. On 5 October 2018, Mr E had an accident which wasn't his fault. His van was assessed by an independent engineer and was deemed a total loss. Mr E said Kindertons put a settlement offer to him for his van, at a pre accident market value totalling £4,281.00.

Mr E said the settlement would cause him to suffer a financial loss as he said he was left to pay a deficit of around £1,000 to cover the outstanding finance he had for the van.

Kindertons said the valuation had been determined by an independent engineer and when Mr E disputed the valuation the engineer had tried to contact him to discuss it. Kindertons said they told Mr E that he would be responsible for paying any outstanding amount remaining for the finance for the van.

Mr E wasn't happy with Kindertons' response and referred his complaint to us.

Our investigator said the valuation was below market value and that Mr E should have been paid £351 more for the pre-accident value of his van.

Kindertons didn't agree as they said they didn't value Mr E's car but relied on the services of an independent engineer. Kindertons asked for the complaint to be referred to an ombudsman to decide.

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'm upholding this complaint, I'll explain why.

Mr E's had a non-fault accident and didn't use his insurance policy to make his claim. Instead he used the services of Kindertons, an accident management company. Kindertons aim to provide their customers with a hire vehicle and repair the damage caused to the vehicle by the accident – or determine the pre accident value of the vehicle if it is deemed non repairable. And claim this back from the third-party insurer.

It isn't our role to consider who was at fault for the accident or to investigate the accident claim. And it isn't our role to value Mr E's car but to look to see whether Kindertons have acted fairly and reasonably in carrying out accident management activities.

I can see Kindertons asked an independent engineer to assess the damage done to Mr E's van. The independent engineer didn't work specifically for any of the parties involved in the claim and so, made their own assessment. In this case the independent engineer valued Mr E's van at £4,281. But as the cost of repair was estimated at £3,496.16 plus VAT, the vehicle was deemed to be a total loss, in other words, a write off.

As Mr E had only a few days before acquired the van at a cost of £4,800 plus VAT he wasn't happy with the valuation placed on it. Again, it isn't our role to tell the independent engineer how to assess the value of a vehicle. But I can see Kindertons, after Mr E said he wasn't happy with the valuation, told him to speak to the engineer. And if the engineer agreed to increase its valuation an amended report would be sent to Kindertons. And they would request any additional payment from the third-party insurer.

I can see an attempt was made by the engineer to contact Mr E, but this wasn't successful. But I can also see Mr E continued to express his dissatisfaction about the valuation given for his van and the financial impact this would have.

So, I'd have expected Kindertons in administering his claim and knowing Mr E was still unhappy about the valuation, to have looked to challenge the suggested valuation. Especially given the difference between the pre accident valuation and the amount Mr E had paid only a few days before the accident. But Kindertons relied on Mr E and the independent assessor agreeing a valuation before it would do anything else.

Our approach, in looking to see if a valuation is fair and reasonable, is to check the relevant recognised trade guides. And to consider whether a reasonable offer has been made in line with them. Typically guides will be more persuasive than adverts as they're based on research of nationwide selling prices. By comparison, adverts don't account for any negotiations over prices. For Mr E this might still mean the pre-accident value is lower than the price he had only a few days before paid for his van.

Assessing the value of a used vehicle isn't an exact science, but there are accepted business guides that can help, we use Glass's, CAP's, and Cazana. The guides gave the following valuations:

- Glass' £4,281
- CAP £4,429
- Cazana £5,187

The independent engineer had used the valuation found in Glass' only. But by taking an average across the three guides, the valuation for Mr E's van was found to be £4,632, a difference of £351. I don't think the difference between the guides is significant for me to discount the higher or lower range, and I think the average across the three reflects dealer asking prices across the market and is reflective and falls into line with the price Mr E had only recently paid for his van.

I think Kindertons could have done more for Mr E with his claim. So, I think Kindertons should pay Mr E the additional £351 to reflect the average market value of his van.

my final decision

I uphold this complaint and ask Kindertons Ltd to pay Mr E £351.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 30 January 2020.

Anne Scarr
ombudsman