

complaint

Mr D and Ms G have complained that Markerstudy Insurance Company Limited's settlement offer is too low following a claim under Mr D's motor trade policy.

background

Mr D bought a motor trade policy through a broker with Markerstudy Insurance. This policy provided cover for several cars.

Mr D made a claim to Markerstudy for a car following a fire. Its engineer decided it wasn't economical to repair it. So it offered Mr D the trade value of the car which was £820.

Mr D and Ms G complained to Markerstudy as they believed it should pay the retail transacted value of the car, which was around £3,000. But Markerstudy said it had offered a fair settlement in line with what Mr D's motor trade policy says it will pay.

Mr D and Ms G remained unhappy and brought their complaint to us. Our investigator didn't recommend their complaint should be upheld. She checked the motor trade valuation guide and Mr D's policy. She found that Markerstudy had offered a fair amount to reflect the total loss trade value for the car.

Ms G doesn't agree. She believes Markerstudy should pay the market value for the car, not the trade value. Mr D and Ms G want the car to be returned to them from the salvage agent.

Markerstudy said that usually the salvage agent is registered as the new keeper of the car once a settlement payment has been made. But in this case it shouldn't have done this until the settlement had been agreed. As Mr D wants to keep the car, it has sent the V5 registration document to him to complete. If he completes the relevant sections, the salvage agent will not be added as another keeper of the car. Markerstudy are happy to then arrange for the car to be delivered from the salvage agent to Mr D.

The investigator asked Mr D and Ms G how they wanted to proceed. Ms G asked how Markerstudy could sell their car when it isn't their property. The investigator said she could ask Markerstudy to change the name of the keeper of the car to Mr D if this is what they wanted. But Ms G and Mr D haven't replied.

So the matter has been passed to me 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 don't intend to uphold it.

Mr D has a motor trade policy with Markerstudy. So in the event of a total loss claim, Markerstudy will pay the trade value of the car, and not the retail transacted value – which is the price a customer might pay when buying a car from a reputable garage's forecourt.

I think Markerstudy clearly set out in the policy booklet to Mr D what it would pay in these circumstances. If Mr D feels the policy was mis-sold to him, he will need to contact his broker who arranged the policy for him.

We've checked the trade guides to see if Markerstudy's offer of £820 is reasonable. This is the trade valuation given by Glass's for the car based on the actual mileage and for the month it was declared a total loss. So I think Markerstudy has offered Mr D a fair settlement sum for the car - and it's in line with the policy.

If Mr D wants to keep the car, Markerstudy says he can do this. It's being held by the salvage agent who is currently the registered keeper. But this can be put right - and it's for Mr D to co-operate with Markerstudy to change it back to himself as the registered keeper if he wants to keep the car. As I think Markerstudy's offer to Mr D of £820 as the trade value for the car is reasonable, it can now settle the claim under the remaining terms and conditions of the policy.

my final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Ms G to accept or reject my decision before 8 September 2017.

Geraldine Newbold
ombudsman