

complaint

Mr M complains about the valuation that Advantage Insurance Company Limited (trading as Hastings Direct) placed on his car after it was deemed a total loss following an accident. He's also unhappy it hasn't made him an interim payment and that it didn't provide a suitable hire car. He wants a realistic offer for his car.

background

Mr M's car was damaged beyond economical repair when a lorry hit it from behind. Mr M's son, a named driver on the policy, was driving at the time. Hastings offered Mr M a hire car but it was too small for his needs. He was later able to obtain one from an accident management company.

Hastings offered Mr M the market value of his car at the time of loss, £5,120. He didn't accept this. It offered to make an interim payment. But it wanted Mr M and his son to take part in a conference call with DVLA first to check their licence details. They didn't do this. Hastings kept Mr M waiting on the phone for long periods. Mr M complained to Hastings and it offered him £200 compensation in total for its level of service.

Our adjudicator didn't recommend that the complaint should be upheld. He thought the settlement offer was fair and reasonable and calculated according to our established approach. He thought Mr M wasn't entitled to a hire car under his policy. He thought it was reasonable for Hastings to make the licence checks. He thought its payment of £200 compensation for its level of service was reasonable.

Mr M replied that he couldn't find a replacement car for less than £3,000 more than Hastings had offered him. He said its rarity and seasonal factors affected its value. He was offered a small hire car that didn't meet his personal needs. He questioned why Hastings had waited eight weeks after the incident to validate his licence details.

my findings

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

I was sorry to hear about Mr M's financial and personal circumstances. I can appreciate that losing his car has placed an extra burden on him. I can also understand that losing his car through a non-fault accident must be very frustrating and seem very unfair.

Mr M thought Hastings hadn't offered him enough for the value of his car. It asked him to send in examples of advertised prices for similar cars, which he did. But this didn't increase its offer. Our adjudicator thought Hastings offer was reasonable. I've checked how he came to this view.

The adjudicator explained this service's approach to car valuations in that we don't provide valuations for cars but seek to assess whether the insurer's offer is reasonable.

In assessing whether a reasonable offer has been made, we obtain valuations from motor-trade guides. These are used for valuing second hand cars. We find these guides to be particularly persuasive, largely because their valuations are based on nationwide research and actual sales figures. The guides also take into account regional variations.

The adjudicator checked the trade guides and found a valuation for the registration of Mr M's car in two of them. The higher one, £5,140, was in Glass's Guide. This included a deduction for the car's higher than average mileage. I can see that it took into account the car's fittings and good condition.

Mr M said his car was rare and this should be taken into account. But I think this is already taken into account in the guides. He said we should allow for seasonal factors. But his policy refers to the value of the car at the time of loss. I can see that the adjudicator sought its value at the date of the accident.

Mr M provided ads for similar cars. But we don't find advertisements particularly persuasive as these are essentially asking prices and aren't selling prices. It's for this reason that the trade guides are used as they provide evidence of actual retail selling prices.

I appreciate that Mr M disagrees with our approach and I can understand his frustration. But I agree with the adjudicator that Hastings' offer is fair and reasonable as it was made according to our approach. So I've no reason to ask Hastings to increase it.

Mr M complained that Hastings didn't provide him with a suitable hire car. But as his car was a total loss, I don't think Hastings was required to provide him with a hire car under his policy. It offered him one as a gesture of goodwill. Unfortunately, it misinformed Mr M about the size of the car he could be provided with. So unfortunately Mr M missed a hospital appointment. It offered him £100 compensation for this. I think this was reasonable.

Hastings declined to issue an interim payment until Mr M and the named driver had confirmed their licence details through a conference call with the DVLA. I don't think this is unusual. I don't think the eight weeks before it asked for this was unreasonable. I can see that the call has now been made and so Mr M should have his payment. If he hasn't, he should ask the adjudicator to press for this.

Hastings paid Mr H £200 in total compensation for its service errors. It didn't respond to his complaint within eight weeks. He was kept waiting on the phone for long periods and it gave him wrong information about the hire car. I think this was reasonable. It's in keeping with the level we'd award. I don't think Hastings needs to do anything further.

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 Mr M to accept or reject my decision before 31 May 2016.

Phillip Berechree
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