

complaint

Mr G complains about the valuation that Advantage Insurance Company Limited placed on his car under his motor insurance policy after it was deemed a total loss. He's also unhappy with the claims process. He wants it to increase the valuation. He is represented in this matter by his partner, Miss P.

background

Mr G was involved in an incident and his car was deemed to be beyond economical repair. Advantage offered Mr G £10,600 in settlement for its pre-accident valuation, but Mr G thought it was worth £12,000. Mr G also thought that the claim had been delayed. He said a claims advisor had been rude towards him. Advantage offered him £100 compensation for the delay but Mr G didn't accept this.

Our adjudicator didn't recommend that the complaint should be upheld. She thought the valuation Advantage had offered was fair and reasonable because it was based on the highest valuation offered by the trade guides. She didn't think there had been any unreasonable delays. She thought Advantage's offer of £100 compensation was fair and reasonable.

Miss P replied that she wasn't happy with the valuation. She said the top book price for their car in the guides was £11,830. She said they'd sent information to Advantage that it hadn't considered. They always had to do the chasing of the claim. This had caused them stress and upset.

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 can understand that this has been a stressful and frustrating process for Mr G and Miss P. Their car was written off, due to no fault of their own. I was sorry to hear Mr G was unfortunately badly hurt. Now they can't buy a like replacement for the valuation Advantage placed on their car. I can see that they made this clear to Advantage, but it hasn't increased its offer.

The adjudicator has 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.

This is largely because their valuations are based on nationwide research and actual sales figures. The guides also take into account regional variations. We also take all other available evidence into account, for example, engineer's reports.

Our adjudicator was satisfied that Advantage's offer was fair and reasonable. I've checked how she arrived at this conclusion. I can see that she obtained valuations from the motor trade guides for the same make, model, specification, condition and mileage as Mr G's car. CAP's gave a valuation of £10,500 and Glasses £10,050. So she thought that Advantage's offer of £10,600 was fair and reasonable as it exceeded the highest guide value.

Miss P said she'd found higher prices in the guides, but those available to the public have a different purpose which is explained on their websites. Consumers are warned that they shouldn't be used for insurance comparisons.

Miss P said they'd sent Advantage additional information that it hadn't considered. It wasn't able to locate this in its files. I can't see that Miss P has provided us with a copy to consider.

But if this was the advertised prices for similar cars, then we don't find advertisements particularly persuasive. 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.

So I think Advantage's offer was fair and reasonable. It was made according to our usual approach. I've not seen any reason to ask it to increase it.

I can see that Advantage agreed that it had caused delay in handling the claim. It said this was due to a backlog in validations. It apologised for this and offered Mr G £100 compensation. The claim process from notification to settlement took just over four weeks. This included a delay while liability was established. I can appreciate Mr G wanted it all settled, but I think this wasn't an unreasonable timescale.

I can also see that some delay was due to the registration for the other car involved being wrongly recorded. But this was, I understand from Miss P, wrongly written down by the attending police officer. So I can't say this was Advantage's fault.

Miss P said they had to do all the chasing of the claim. But I've looked at Advantage's file and I can see that it kept in contact with Mr G and Miss P about the claim. I don't think it did anything wrong.

Miss P complained about one call she had made to Advantage. She was told that claims were dealt with in date order. I can understand that Miss P may have felt disappointed and upset. But I've listened to the call and I don't think the call handler was rude. I didn't hear him say that other people were more important than them.

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 G to accept or reject my decision before 18 July 2016.

Phillip Berechree
ombudsman