

The complaint

Mr C was unhappy with how his claim was handled and the settlement he was offered by One Insurance Limited ("One Insurance").

What happened

Mr C was involved in a car accident. He said the other party involved admitted liability at the scene.

When Mr C's claim was registered with the other party's insurer, Mr C was told the third-party insurer had denied liability as there was a lack of evidence. When One Insurance investigated the circumstances, it received video footage from the third-party insurer, which led it to conclude the incident would at best result in a *"split liability outcome"*.

Based on this conclusion, One Insurance changed its approach to the claim and considered it under Mr C's comprehensive cover. Mr C's vehicle was written off as it was beyond economic repair, and it arranged for a valuation of the vehicle to be completed so it could settle the claim. Mr C refused the offer as he felt it was too low – he showed advertised prices for similar vehicles to prove his point.

Mr C isn't happy about how One Insurance has handled his claim – he thinks it should fight it in court and said he has a witness who would make a statement. One Insurance didn't think it was at fault, but it did offer £200 compensation to recognise any loss of use on the vehicle when it first took over the claim.

Our investigator decided to uphold the complaint. She said One Insurance should increase its settlement to £31,755.60 (incl. VAT) to reflect the highest industry guide price, which is in line with our service's view of a fair approach. However, she didn't find evidence that One Insurance had handled the claim poorly. Mr C disagreed, so the case has been referred to an ombudsman.

What I've decided – and why

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

Mr C's complaint did stray beyond what One Insurance Limited is responsible for. For the avoidance of doubt, in my decision, I can only consider actions taken by One Insurance Limited. Our investigator has explained to Mr C that complaints against any accident management company is outside of our service's jurisdiction.

I've considered the valuation One Insurance provided for Mr C's vehicle. One Insurance took an industry guide price for setting the value. I think One Insurance has followed a sensible approach, using a well-known industry guide. Industry guides provide the most accurate view of sold prices across the country for various makes, models, specification and mileage of cars.

One Insurance valued the car at £24,110 plus VAT. Our service, however, thinks that insurers should look at a range of industry guides and where there is discrepancy between those guides, we believe the fairest option is to take the highest guide price. I appreciate Mr C said he's seen some advertised prices which are higher, but often cars are not sold at the advertised price points. Our service finds the industry guides more reliable.

The highest value from the guides available to us is £26,463 plus VAT (£31,755.60). I think this is a fairer value for Mr C's vehicle, so I intend to uphold this complaint.

Mr C was unhappy he was quoted two different salvage amounts for him to take ownership of the vehicle back from his insurer. I think One Insurance clarified its approach in its final response and this is consistent with its policy for pricing salvage for all customers. So, I can't say Mr C has been treated unfairly. One Insurance should apply its normal policy on the salvage cost if Mr C decides to retain the vehicle.

I appreciate Mr C thinks it's unfair the claim has not been contested by his insurer. It has accepted liability on Mr C's behalf. However, I think it's reasonable for One Insurance to take decisions on what is the best course of action. Insurers are experts in claims resolution. One Insurance has used its expertise to make a judgement on the circumstances of this complaint. It couldn't get hold of witness statements and it has reviewed video evidence from the accident. I think One Insurance has taken a reasonable approach. It doesn't think any court action would be successful. So, any expenditure spent on this process would be wasted.

Mr C was unhappy he didn't receive a courtesy car, but I've checked the policy and it states:

"We will not provide the guarantee or provision of a replacement vehicle in the following circumstances:

- *Where the vehicle is deemed beyond economical repair".*

As Mr C's car was written-off, he wouldn't have been entitled to a courtesy car. It provided a valuation 3 weeks after taking over the claim. One Insurance has paid £200 compensation for this period when Mr C was without a vehicle – I think this is reasonable in the circumstances.

Mr C has talked about his financial hardship during this claim. However, I can see One Insurance offered to pay an interim payment on the claim and explained to Mr C that it wouldn't affect his rights under the complaint. I think One Insurance has acted reasonably in the circumstances, as it was trying to help alleviate the difficult position Mr C found himself in.

I appreciate there was a delay in Mr C receiving payment once he'd later accepted that some money could be transferred to him. However, One Insurance has explained the payment transaction wouldn't process as there was an issue with Mr C's payment details. So, I can't say One Insurance has acted unfairly in these circumstances.

Mr C claimed he's lost £6,000 a month in wages due to the accident and the poor handling of the claim. However, I haven't seen any evidence to support these figures or evidence he's lost any contracts because of the way One Insurance handled the claim. I think the avoidable delays were more likely caused before One Insurance took over the claim.

My final decision

My final decision is I uphold this complaint. I require One Insurance Limited to:

- Settle the claim based on a valuation of £31,755.60 (less appropriate excess and / or salvage).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 4 January 2024.

Pete Averill
Ombudsman