

## **The complaint**

Mr O complains that the offer One Insurance Limited ('One Insurance') made to settle his motor insurance claim is too low.

## **What happened**

Mr O had a fully comprehensive motor insurance policy with One Insurance.

In October 2022, Mr O's vehicle was involved in an accident. He reported the incident to One Insurance on 13 November 2022. After considering pictures of the vehicle sent by Mr O, One Insurance decided it was a total loss. It then valued the vehicle at £4,739. Mr O did not accept this valuation and he complained to One Insurance.

One Insurance said Mr O did not reply to its attempts to collect the vehicle, so it thought he wanted to keep it. It then paid him £2,069.50, which was the value of the vehicle less excess and a 50% salvage deduction.

Mr O then contacted our service. He didn't accept One Insurance's valuation and said an assessor should have been sent out to look at his vehicle. He had only been able to contact One Insurance through its live chat facility and couldn't speak to anyone on the phone.

Our investigator got in touch with One Insurance and it offered to increase its valuation to £7,499.40. It told us that when it paid the initial settlement back in December 2022, it hadn't checked whether there was any outstanding finance. It also offered to pay a further £350 to Mr O for any inconvenience he was put to.

Our investigator considered Mr O's complaint. He thought a fair valuation of Mr O's vehicle was £8,820.50. He said One Insurance hadn't made a mistake when it didn't send an engineer to assess the vehicle in person. He also said that One Insurance hadn't made a mistake when it communicated with Mr O by live chat, rather than by phone. Our investigator thought One Insurance's offer of £350 for inconvenience was fair.

In response to our investigator's view, Mr O said he accepted the proposed vehicle valuation. However, he said he had incurred ongoing storage costs of £30 a day from the date of the accident. He said he'd paid £5,922 in storage costs up to 31 May 2023.

Our investigator didn't think it was fair for One Insurance to pay the storage costs. Mr O said he accepted our investigator's view. However, One Insurance did not substantively reply and so the matter has been passed to me for an ombudsman's decision.

## **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.

Having done so, I've upheld Mr O's complaint to the same extent as our investigator. I'll explain why.

Our service doesn't value cars. Instead, we look at whether the insurer's offer is fair and in line with the policy's terms and conditions.

One Insurance considered Mr O's car to be a total loss. The policy's terms and conditions say that in such circumstances, One Insurance will make a settlement payment based on the

cost of replacing the vehicle at the time of the accident, taking into account the make, model, age, mileage and circumstances of purchase.

To work out how much Mr O's car was worth, One Insurance told us that it consulted a number of trade valuation guides. However, when I've looked at the valuations One Insurance obtained, I think they were based on the wrong information. I say this because the date of the accident appears to have been incorrect.

The terms and conditions say that One Insurance will settle Mr O's claim based on the cost of replacing his vehicle at the time of the accident. So if One Insurance's valuations were not based on the date of the accident, I think it's unlikely they'd reflect cost of replacing the vehicle on that date.

Our investigator consulted four valuation guides. One guide could not provide a valuation at all. Another guide could not provide a valuation with the correct mileage, so our investigator averaged that valuation with that obtained by One Insurance on the wrong date of loss. The valuations obtained by our investigator were:

- Guide 1 – £7,990
- Guide 2 - £10,309
- Guide 3 - £8,162.50 (average of £8,550 and £7,775).

I am satisfied that when obtaining the valuations for Guides 1 and 2, our investigator used the correct make, model, mileage and date of the accident. He couldn't get a valuation with the correct date and mileage for Guide 3. I agree that it was fair for him to take an average of the valuation obtained by One Insurance with the correct mileage on the wrong date with the valuation with fewer miles on the right date.

I think the valuations obtained by our investigator are more likely to reflect the cost of replacing Mr O's car on the date of the accident. They are based on the correct date of the accident. One Insurance's offer is not within the range of the valuations obtained by our investigator and so I don't think its offer of £7,499.40 is fair.

With that in mind, I'm satisfied that our investigator's approach of averaging the figures above comes to a fair and reasonable valuation of Mr O's vehicle. That means I'm satisfied that it is fair for One Insurance to settle Mr O's claim on the basis that his vehicle was worth £8,820.50 on the date of the accident.

I know Mr O said he thought One Insurance should pay for the daily storage costs he said he'd had to pay. But our investigator set out some inconsistencies with what Mr O said about where his vehicle had been stored. In light of those inconsistencies, I don't think it would be fair for One Insurance to cover those costs.

Mr O was concerned that he'd only been able to contact One Insurance through its live chat facility when he wanted to speak to someone on the phone. We don't regulate financial businesses, so that means I can't tell One Insurance how it should generally communicate with its customers. I can check whether One Insurance treated Mr O fairly and reasonably in the way it communicated with him. I appreciate Mr O would have preferred to speak to One Insurance by phone, but I haven't seen anything to suggest he lost out because he had to use live chat instead. So, I don't need to tell One Insurance to do anything more here.

Mr O said he thought One Insurance should have sent an engineer to assess his vehicle. There doesn't seem to be any dispute between the parties that the vehicle is a total loss. So I don't think Mr O lost out because no-one assessed the vehicle in person.

One Insurance offered to pay £350 to Mr O for the inconvenience arising from his claim. I can see that this matter has been ongoing for some time and agree with our investigator that a payment of £350 is fair in these circumstances.

## **Putting things right**

To put things right, One Insurance must take the following action:

- a) Settle Mr O's motor insurance claim on the basis that his vehicle's market value was £8,820.50 on the date of the accident.
- b) It is currently unclear as to whether Mr O wishes to retain the vehicle salvage.
  - If he does wish to retain the vehicle salvage and there is any remaining finance, One Insurance may deduct the amount of the outstanding finance from what it will owe and pay the surplus to Mr O;
  - If Mr O does not wish to retain the vehicle salvage, he must allow One Insurance to take possession of it. If One Insurance wants to take the salvage, it can require this before paying the outstanding balance to Mr O. If there is any remaining finance, One Insurance may deduct the amount of the outstanding finance from what it will owe Mr O and pay the surplus to him.
- c) Pay 8% simple interest on the difference between the final settlement and the initial settlement payment of £2,069.50. Interest is to be calculated from the date of that initial payment of £2,069.50 up to the date Mr O gets the final settlement.
- d) Pay £350 to Mr O for the inconvenience he was put to as set out in the final response letter.

## **My final decision**

I uphold this complaint and require One Insurance to put things right as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 14 November 2023.

Nicola Bowes  
**Ombudsman**