

## **The complaint**

Mrs P complains that the offer UK Insurance Limited trading as Churchill ('Churchill') made to settle her motor insurance claim is too low.

## **What happened**

In January 2023, Mrs P's car was damaged in an accident and she made a claim on her motor insurance policy. Churchill decided it was not economical to repair the vehicle. After considering two valuation guides, it said it thought Mrs P's car was worth £15,148 on the day it was damaged. It offered to settle Mrs P's insurance claim on that basis.

Mrs P thought Churchill's valuation was too low and she complained to this service. She provided some adverts and said they indicated her car was worth more than £15,148 on the day it was damaged. Mrs P said Churchill had provided a courtesy car, but the vehicle provided was too small and did not meet her requirements. She also told us about some customer service problems she'd experienced, such as difficulties getting in touch with Churchill and the length of time it took to deal with the claim.

Our investigator looked at all of this. She obtained the following valuations for Mrs P's vehicle on the day it was damaged: Guide 1 - £15,395; Guide 2 - £14,900; Guide 3 - £15,117; and Guide 4 - £14,786. Our investigator thought Churchill valued the vehicle at £15,395 – the highest of the four guides – and that this was fair. She recognised that the courtesy car provided to Mrs P wasn't like for like but said that it had tried to organise a larger car for her. Our investigator noted Churchill had offered £100 to compensate Mrs P for poor customer service and she thought this was a fair way to settle the complaint about customer service.

Mrs P did not agree with that view and so the matter has been passed to me for an ombudsman's decision.

I issued a provisional decision in this matter. I said:

"As things stand, I don't intend to uphold the complaint. I'll explain why.

Firstly, I just need to clarify that Churchill's valuation of the vehicle was the average of Guides 1 and 2, which came to £15,148. Its valuation was not £15,395 as our investigator said.

The terms and conditions of Mrs P's say that in a situation where her vehicle cannot be repaired, Churchill will settle her claim by paying the market value. Market value is defined as the cost of repairing the car with another of the same make and model, and of a similar age and condition at the date of loss.

Assessing the value of a car isn't an exact science. Like most insurers, this service often finds motor trade valuation guides persuasive. That's because their valuations are based on nationwide research, and they show likely selling prices at the month of loss.

Our investigator obtained valuations from four guides. In doing so, I can see she entered the correct registration information, mileage and date of accident. The resulting valuations ranged from £14,786 to £15,395. Churchill's valuation was within the range of and at the upper end of those valuations.

I appreciate Mrs P provided some adverts that she said showed the market value of her car was more than Churchill offered. But in considering those adverts, I note that they are all younger than Mrs P's vehicle and at least one of the cars is automatic transmission. I can't say the adverts supplied by Mrs P suggest the valuations as shown by the guides were unfair.

In any event, I can see that a number of adverts for cars the same age as Mrs P's were considered in Guide 4's valuation. Of those adverts, the car with the closest mileage to Mrs P's was priced at £15,000. Another vehicle with similar mileage was advertised at £14,000.

In other words, the adverts I've seen for cars the same age and with similar mileage to Mrs P's are in the range set out in the relevant valuation guides.

With all of this in mind, I am satisfied that Churchill's valuation of £15,148 is within the range suggested by the valuation guides and it is also in line with adverts of the same make and model to Mrs P's car and with a similar mileage. For those reasons, I am satisfied that Churchill's valuation in this case was fair.

I know Mrs P was not happy with the courtesy car Churchill provided. I can see that as part of her policy, Mrs P had guaranteed hire cover. What that means is that where it is not economical to repair Mrs P's car, Churchill will provide a hire car of a similar physical size to the damaged vehicle while it deals with the claim. However, the terms and conditions go on to say that the size of the courtesy car cannot be guaranteed.

I appreciate that Mrs P was disappointed that the hire car had insufficient boot space for her requirements. But as our investigator said, Churchill did try and arrange for a bigger car, but nothing larger was available. Putting all of that together, I can't say Churchill was unfair when it arranged the hire car.

I can see Mrs P also told us about several customer service issues she experienced, including a delay in dealing with the claim. Having considered the concerns she raised, I am satisfied that Churchill has already fairly compensated Mrs P in that regard by paying her £100."

I asked the parties to provide me with any further information or evidence they wanted me to consider by 28 November 2023. Neither party provided me with anything further to consider.

### **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.

As I have not been provided with any further information or evidence, I see no reason to depart from my provisional findings. So, for the reasons set out above, I don't uphold this complaint and I don't require Churchill to take any further action in this case.

**My final decision**

I don't uphold this complaint about UK Insurance Limited, trading as Churchill.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 2 January 2024.

Nicola Bowes  
**Ombudsman**