

## **The complaint**

Mr S has complained that Highway Insurance Company Limited delayed in inspecting his motorhome following an accident and has since offered a cash in lieu settlement which he thinks is too low and unfair.

## **What happened**

Mr S reversed into something causing damage to the rear of his motorhome. His motorhome was brought to a repairer. According to Highway's file the repairer did prepare a report and told Mr S his motorhome was likely to be a total loss. And that Mr S didn't want this. For some reason the report wasn't sent to Highway presumably by a mistake.

Mr S chased Highway several months later claiming it had delayed. At that stage Highway sent out its own assessor to view the motor home. It had got into a bad state of repair. Mr S initially told the investigator that he had attempted to seal it up better too with the use of temporary seals.

Highway ultimately decided to offer Mr S a 'cash in lieu' settlement. This was because the motorhome had deteriorated meaning certain areas now needed repair in order to repair the accident-related damage. And in that case if Highway undertook the repair, it would be putting Mr S back in a more favourable position. Mr S's motorhome is old and consequently there is no available valuation of it in the usual valuation trade guides. Highway's engineer estimated the value to be £2,500. Highway also clearly noted it was wrong of its engineer to expect Mr S to buy the parts required on an online auction site as that's unreasonable. So instead, Highway used a category B (parts only) salvage value of 6% to work out the 'cash in lieu' amount. It said if it used the category N (non-structural) salvage value of 19% it was likely given the condition of the motorhome, it would be a total loss. So, in effect Highway offered what is essentially the total loss value to Mr S of £2,500 (as estimated by its engineer) less the excess of £100. And it would dispose of the motorhome for him. If Mr S wanted to keep the motorhome, it would deduct a further £150 for the salvage value.

Mr S didn't think this valuation was high enough and he thought it should be £7,500. So, he brought his complaint to us. The investigator didn't think Highway had done anything wrong. However, as Mr S remained dissatisfied his complaint has been passed to me to decide.

## **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'm not upholding this complaint. I'll now explain why.

First, turning to the delay aspect Highway's file is clear that the repairer did prepare a report and that this repairer told Highway that Mr S didn't want his motorhome to be a total loss. And for some inexplicable reason that report was never sent to Highway at the time. I

appreciate Mr S said he chased matters, but the note said that Mr S would get back to the repairer too. Also, in Mr S' initial call with the investigator he said he put some temporary seals on the motorhome too, which was obviously some attempt to protect it from the weather. Sadly, that didn't appear to make much difference as there is no dispute the motor home has deteriorated significantly.

Therefore, I don't consider the delay was solely down to Highway, as given the above I do consider some of the delay was down to Mr S too.

Given the age of the motorhome, it's been impossible to get a valuation from the trade guides for it. Highway's engineer valued it at £2,500 on a pre-accident basis given he was of the view the interior needed replacement to make it habitable and it noted Mr S didn't have a habitation certificate. He said he based this figure on the above and from the internet. In the absence of being able to value the motorhome from the trade guides and in the absence of any other evidence of similar aged motorhomes' selling prices, I don't consequently consider this valuation to be unreasonable.

Clearly also it was inappropriate that Highway's engineer thought Mr S could get parts for the motorhome from an online auction site, which Highway acknowledged in its final response letter. On that basis I consider how Highway came to the 'cash in lieu' figure in the final response letter to be fair. Its figures are to Mr S' advantage bearing in mind, it's effectively giving Mr S the total loss value instead of the initial 'cash in lieu' offer made which was considerably lower. This is because in order to repair the accident-related damage, which is the sole extent of Highway's duty here, it would be necessary to undertake other repairs, given the poor state of the interior of the motorhome. Therefore, on this basis I don't consider how Highway wanted to settle this claim to be unreasonable or unfair.

### **My final decision**

So, for these reasons it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 17 October 2023.

Rona Doyle  
**Ombudsman**