

The complaint

Mr R complains about how U K Insurance Limited (trading as Direct Line) handled motor insurance claims.

What happened

In April 2022 Mr R's car was involved in a collision with a third-party. The third-party claimed against Mr R's UKI motor insurance policy. UKI settled that claim. No repairs were made, under Mr R's UKI policy, to his vehicle.

In November 2022 Mr R's vehicle was damaged in a further incident. He claimed against his UKI policy. The insurer decided the vehicle was a write off – or total loss. It settled the claim based on a market value of £6,953 less a policy excess.

In mid-2023 Mr R contacted UKI about the April 2022 incident. He was unhappy it hadn't offered to repair or write off his vehicle. He requested a settlement for that incident.

In November 2023 UKI issued a complaint final response. It addressed Mr R's concerns about both claims. For the April 2022 claim it said it had spoken to him on multiple occasions, but he hadn't made a claim for his vehicle. It said, if Mr R could provide an itemised invoice for any relevant repairs it could look to reimburse him. For the November 2022 incident UKI said Mr R's claim had been settled in line with the terms of his policy – by settling for a total loss based on the market value of his vehicle. UKI went on to offer Mr R £150 compensation. That was to apologise for it mistakenly offering to repair his vehicle after it had already been declared a total loss.

Mr R wasn't satisfied so came to the Financial Ombudsman Service. He said he had made a claim in April 2022, but UKI hadn't repaired his vehicle.

Our Investigator said records showed Mr R had failed to proceed with a claim for damage to his vehicle for the April 2022 incident. She felt UKI's offer to consider cash settling any repairs that had been made was fair. She was satisfied its market valuation for the November 2022 claim total loss settlement was reasonable. Mr R didn't accept the Investigator's assessment. As the complaint wasn't resolved it was 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.

I've considered Mr R's comments about UKI not settling his claim for the April 2022 incident. But I'm not persuaded it did anything wrong or provided a poor service.

UKI's provided records of correspondence with Mr R around the time of the claim. He's noted, in May 2022, as saying 'there was no damage' to his vehicle. He isn't recorded, for numerous contacts over the following months, as reporting any damage to his vehicle. There's no record or other persuasive evidence of him wishing to pursue a claim for damage

– not until more than a year after the incident. And that was long after it had been written off as a result of the November 2022 incident. So I can understand why UKI didn't offer or process a claim for damage to his vehicle. I can't say it acted unfairly or unreasonably.

If there was damage to Mr R's vehicle and it went unrepaired, he didn't lose out financially as a result of not claiming in April 2022. That's because UKI didn't deduct anything, for pre-existing damage, from his total loss settlement for the November 2022 incident.

If there was damage and Mr R paid for repairs he shouldn't lose out either. UKI's said it will consider reimbursing the reasonable cost of relevant repairs on receipt of invoices – subject to any applicable policy excess. That's a fair and reasonable approach. So I'm not going to require UKI to do anything more in relation to the April 2022 incident.

I've also considered UKI's settlement of the November 2022 claim. Mr R's policy covers his car against accidental damage. The policy says UKI, if it chooses to, can settle the claim by sending him a payment. The terms say Mr R is covered up to the market value of his vehicle. Market value is defined by the policy as the cost of replacing the car with another of the same make and model, and of a similar age and condition at the time of the accident or loss.

So I've considered if UKI's offer to settle Mr R's claim is fair and in line with these terms. When looking into these types of complaints we check trade guides, adverts and other relevant evidence. We consider whether the insurer has made a reasonable offer in line with the evidence. We generally find the guides persuasive as they're based on nationwide research of likely selling prices, so they can be more reliable than individual adverts. But as I've said we do consider other evidence.

One guide provided UKI with a valuation of £6,963 for Mr R's vehicle. UKI couldn't get a valuation from other guides. Due to the age of the vehicle this service only received one valuation from four guides we tried. And that was significantly lower than UKI's market valuation and settlement.

I haven't seen any persuasive evidence that UKI's market value didn't reflect a fair valuation for Mr R's vehicle - considering its make, model, age and condition at the time of loss. I'm satisfied its settlement of his November 2022 claim was fair and in line with the terms of his policy. So I'm not going to require it to do anything more in relation to that claim.

Finally, the compensation already offered by UKI is, in my view, a fair amount to recognise any delay in dealing with Mr R's concerns or confusion around arranging repairs for his already written off vehicle. So I'm not going to require UKI to pay any extra.

My final decision

For the reasons given above, I don't uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 17 April 2024.

Daniel Martin
Ombudsman