

## **The complaint**

Mr J complains that Skyfire Insurance Company Limited mishandled his claim on a motor insurance policy.

## **What happened**

The subject matter of the claim and the complaint was a hatchback car with a diesel engine, first registered in March 2012.

For the year from early May 2022, Mr J had the car insured on a comprehensive policy. The policy was branded with the name of an insurance intermediary. Skyfire was the insurance company that was responsible for dealing with any claim. Any claim for damage (except to glass) was subject to an excess of £550.00.

Much of the complaint is about acts, omissions and communications of the intermediary on behalf of Skyfire. Insofar as I hold Skyfire responsible for them, I may refer to them as Skyfire's acts, omissions and communications.

Unfortunately, in late September 2022, Mr J reported to Skyfire that an unidentified third party had hit his car.

Mr J complained to Skyfire about how it was handling his claim.

Skyfire said the car was a total loss.

On about 4 October 2022, Skyfire said the car's pre-accident value had been £2,734.50. Mr J complained to Skyfire that it should value it at over £5,000.00.

Skyfire arranged for an engineer to review the valuation, but that didn't happen until about 9 November 2022.

Skyfire apologised and said it was sending Mr J a cheque for £127.38. But it didn't increase its valuation.

Mr J brought his complaint to us in mid-February 2023.

Our investigator didn't recommend that the complaint should be upheld. She didn't think that Skyfire acted unfairly with the valuation given.

Mr J disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- Skyfire didn't mention that, after it had been written off, he could have purchased the car back. He probably would have done this.
- Comparable cars were being listed in excess of £4,500.00. To get a reduction to about £2,700.00 is fanciful.

- Prices rose during Skyfire's delays.
- The car he ended up purchasing was 3 years older and cost £3,000.00.

### **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.

We expect an insurer to value a used car by reference to retail figures in certain trade guides. We usually find such figures persuasive because they are based on extensive research of likely selling prices.

Compared to the trade guides, we usually find advertisements less reliable because they contain the sellers' asking prices, which are subject to negotiation downwards.

Typically, each trade guide gives a different figure, so that they form a range. We might disregard one figure that is out of line with the others. Subject to that, we often say that any figure in the range is a reasonable figure.

From the statement of insurance document from May 2022, I've seen a figure of £3,095.00 for Mr J's car.

I've noted the make, model, specification, age, mileage and condition of Mr J's car before the accident in September 2022.

From my review of the webchats, I see that Mr J was reluctant to be without his car, even for a period of days while Skyfire or its engineers assessed it. I accept that Skyfire said that this was because the car was worth more than £5,000.00. However, I don't consider that it is fair and reasonable to direct Skyfire to pay that figure for the car.

For a vehicle like Mr J's in September 2022, Skyfire saw retail figures in the CAP and Cazoo trade guides. Our investigator checked those figures and also found figures in the Glass's and Auto Trader guides. Together they were as follows:

Glass	£2,580.00
CAP	£2,675.00
Cazoo	£2,775.00
Auto Trader	£2,956.00

Skyfire's figure of £2,734.50 was well within the range of those figures and I don't find that it treated Mr J unfairly or unreasonably. So I don't find it fair and reasonable to direct Skyfire to increase the valuation.

From my review of the webchats, I've seen that Mr J didn't allow Skyfire to collect the car in late September or early October 2022. He said that the car was fine, and he was still racking up miles on it.

From a DVLA vehicle check, I've seen that the car's MOT expired on 1 February 2023.

When he brought his complaint to us in mid-February 2023, Mr J's complaint form didn't say that he would've wanted to buy back or salvage the car after Skyfire wrote it off. Rather he said the following:

*".. I've ended up holding onto the car that was written off for as long as possible to argue my case. However the MOT is up on the car that is written off and I see no reason to MOT it for the insurance"*

So I find that Mr J had kept the damaged car and continued to drive it after the accident in September 2022 and until the MOT expired in February 2023. For that reason, I don't find it fair and reasonable to direct Skyfire to pay Mr J interest for any delay in payment of his claim, or to compensate him for any consequences such as any increase in used car prices.

Overall I don't conclude that Skyfire treated Mr J unfairly, so I don't find it fair and reasonable to direct Skyfire to do any more in response to this complaint.

### **My final decision**

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Skyfire Insurance Company Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 29 September 2023.

Christopher Gilbert

**Ombudsman**