

## **The complaint**

Ms O complains that West Bay Insurance plc mishandled her claim on a motor insurance policy.

## **What happened**

The subject matter of the claim and the complaint is a small car, first registered in 2013. It had a diesel engine and four-wheel drive.

Ms O acquired the car in 2017.

Ms O had the car insured on a comprehensive policy for the year from May 2022. Any claim was subject to an excess of £400.00.

The policy was in the name of an insurance intermediary. West Bay was the insurance company that was responsible for dealing with any claim.

Much of the complaint is about acts or omissions of the intermediary in handling the claim on behalf of West Bay. Insofar as I hold West Bay responsible for such acts or omissions, I will refer to West Bay as including the intermediary.

Unfortunately, in early February 2023, a third party damaged Ms O's car in an accident. Ms O made a claim on the policy.

West Bay said that the pre-accident value of the car had been £5,766.00.

Ms O complained that the insurer was under-valuing the car.

By a final response dated early March 2023, West Bay turned down that complaint.

Ms O called West Bay. She made a further complaint about the handling of that call and about her car being at a salvage company.

By a final response dated late April 2023, West Bay turned down that complaint.

In the meantime in late March 2023, West Bay sent Ms O a settlement payment.

Ms O made a further complaint as follows:

- She wasn't given the option to retain the vehicle.
- A courtesy car wasn't supplied.
- She didn't receive any notification that the claim settlement payment was being issued.
- No updates on the liability outcome were provided.

By a final response dated mid-May 2023, West Bay turned down that complaint.

Ms O asked us to investigate.

Our investigator didn't recommend that the complaint should be upheld. He thought that the settlement offer was fair.

Ms O disagreed with the investigator's opinion. She asked for an ombudsman to review the complaint. She says, in summary, that:

- She has a diagnosis of severe Complex PTSD. She was starting to recover.
- Her car was in absolutely pristine condition. It had leather seats and optional extras. Her car had a low mileage of about 60,000.
- She banged her head in the crash and suffered concussion.
- The phone call in which she said they could write off the car was within half an hour of the car crash itself. She should not be held to the words she said then. She wanted to get home.
- She told her insurer she was a vulnerable person.
- She lost her front dashcam in the crash.
- She did not receive the text on about 4 February about not getting a courtesy car.
- On 22 March 2023, her insurer told her that it was writing off her car because the damage is structural.
- She could've got an independent repairer to quote a price. The repairs needed were well within the budget of the settlement offer.
- She declined the offer. Her insurer issued the settlement cheque with no communication at all.
- There is no car like hers for £5,776.00.
- She went to view a similar car for £6,325.00. It was in poor condition.
- She is not in employment any more because of ill health.
- She has had to be taking taxis everywhere when she does go out.
- Her insurer's treatment of her made her mental health worse.

### **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.

#### Scope of the complaint

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules. One of those rules means that – before we can investigate a complaint – the policyholder must first have raised it with the firm and waited for up to eight weeks for a final response.

Also, we operate a two-stage process under which the investigator gives an opinion on a complaint and the ombudsman gives a final decision.

As far as I can see from the file, Ms O didn't make a claim in respect of the dashcam, or a complaint about that. So – in line with the rules – the investigator didn't give an opinion and I can't give a final decision in relation to the dashcam.

### Write-off and Salvage

It was for West Bay to decide whether it would repair the car or treat it as a total loss and pay its pre-accident valuation. During the call when Ms O made her claim, West Bay said it would likely be a total loss.

West Bay gave Ms O the option to keep her damaged car, but she agreed to it being treated as a total loss..

If Ms O had wanted to keep the damaged vehicle, then West Bay would've proposed a deduction of a salvage value from the amount it paid her.

By the time West Bay had sent its cheque in late March 2023, the damaged vehicle had become the property of West Bay to sell to the salvage company.

I don't conclude that West Bay treated Ms O unfairly by treating the car as a total loss and selling it to a salvage company.

### Courtesy Car

Like many motor policies, West Bay's didn't provide a courtesy car in the event of a total loss of the insured vehicle. So I don't consider that West Bay didn't anything wrong by not providing a courtesy car.

I'm satisfied that West Bay followed its standard procedure by sending at an early stage a message to Ms O that it wouldn't provide a courtesy car. I accept that – for some reason – Ms O didn't receive that message.

### Liability of the third party

I'm satisfied that West Bay updated Ms O on about 30 March 2023 in a telephone call and by letter. Whilst there may have been difficulties in the post, I don't hold West Bay responsible for such difficulties.

### Valuation

The Financial Ombudsman Service sees a number of complaints about the valuation of used vehicles. We will look at any relevant evidence, including advertisements for similar vehicles.

We generally regard the retail figures in certain trade guides as persuasive. That's because they're based on extensive nationwide research into the likely selling price of a particular vehicle. Generally, the trade guides reflect the various aspects of supply and demand for a particular vehicle month by month.

Compared to the trade guides, we often find advertisements less persuasive. That's because they contain the sellers' asking prices, which may include scope for negotiation downwards. Like most policies, Miss O's policy covered the car up to its "market value", defined as follows:

*“The cost of replacing the car with another of the same make, specification, model, age, mileage and condition as the car immediately before the loss or damage happened”*

I've noted the make, model, specification, age, mileage and condition of Ms O's car before the incident.

I've seen a letter from the commercial organisation that sold the car to Ms O in 2017. However, the letter doesn't give an opinion as to valuation before the accident in 2023.

I've also noted some advertisements for similar (but not quite identical) cars, and I've noted the asking prices.

I've also seen an Auto Trader valuation for Ms O's vehicle at £8,270.00. But that's not in line with the Auto Trader valuation our investigator obtained.

For Ms O's car, I've seen retail figures in the trade guides as follows:

Glass	£5,420.00
Percayso	£5,614.00
CAP	£5,775.00
Auto Trader	£6,612.00

The Auto Trader figure is about £800.00 higher than the next highest figure. So in the context of a car of this kind of value, the Auto Trader figure is so out of line that I disregard it as an outlier.

In any event, West Bay's valuation of £5,766.00 was in the middle of the range of the four figures. So I don't consider that it treated Ms O unfairly. I don't find it fair and reasonable to direct West Bay to increase its valuation.

### Payment

I find that West Bay sent Ms O a letter dated late March 2023, saying that it was making payment. Whilst there may have been difficulties in the post, I don't hold West Bay responsible for such difficulties.

### The impact on Ms O

In my view, the accident and the need to make a claim were bound to cause Ms O distress and inconvenience. I don't doubt that her health issues magnified the effect on Ms O. I'm pleased to note that Ms O has access to a mental health team.

However, I haven't upheld Ms O's complaints about West Bay's handling of the claim. So I can't find it fair and reasonable to direct West Bay to increase its valuation or to pay compensation to Ms O.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 10 November 2023.

Christopher Gilbert

**Ombudsman**