

The complaint

Mr N complains about the amount Tesco Underwriting Limited offered him following a total loss claim on his motor insurance policy.

Reference to Tesco includes its agents.

What happened

Mr N held a motor insurance policy with Tesco. When he was involved in an accident, he made a claim to Tesco for the damage.

Tesco deemed the car a write off and offered Mr N £3,181 minus the policy excess to settle his claim. It said this represented the market value of his vehicle.

Mr N wasn't happy and complained. He wasn't happy with the offer, and the fact that before Tesco's final offer, it made him a much lower one. He also wasn't happy with the service provided throughout the claim.

Tesco didn't change its stance, so, Mr N brought his complaint to us.

One of our investigator's didn't recommend it be upheld. She thought Tesco's offer was fair and didn't think the service provided warranted compensation.

Mr N didn't agree and asked for an ombudsman's decision.

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 Mr N's complaint. I'll explain why.

- Mr N's policy says the most it will pay on any claim is the market value of the vehicle. The policy defines the market value as *"The cost of replacing **the car** with one of similar age, type, specification, mileage and condition, immediately before the loss or damage happened"*. This policy term is common throughout most motor insurance policies.
- Determining the market value of a car isn't an exact science, and I appreciate Mr N might not be able to purchase a like for like car following the accident. There're so many factors to consider when valuing a car, that finding one for sale, with all the factors matching those of the car damaged in the accident is unlikely.
- We take adverts into consideration, but we do so alongside a number of trade guides. These guides purpose is to value vehicles, and they take into account all the factors listed above.

- I'm satisfied Tesco's offer of £3,181 falls within the range of these guides. And I'm more persuaded by these guides than the adverts pointed out to us by Mr N. This is because the vehicles in those adverts have one or more factors different to his.
- Tesco's initial offers were too low, but when Mr N complained, it raised it to a suitable amount. I'm pleased it did this, but it shouldn't have taken Mr N disputing the offer for Tesco to make a fair one in the first instance.
- Overall, like our investigator, I don't think the service provided throughout this claim warrants compensation. I understand it didn't go as smoothly as Mr N would have liked, at it could have been better. But, it didn't fall to a level where compensation is warranted.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 18 September 2023.

Joe Thornley
Ombudsman