

The complaint

Mr T complains about the amount paid to him by First Central Insurance Management Limited trading as 1st Central (“1st Central”) under his car insurance policy after his car was written off.

What happened

Mr T had a motor insurance policy with 1st Central covering his car.

The car was damaged in a collision with a third party. He reported the damage to 1st Central and made a claim.

1st Central assessed the car as being beyond economic repair. It said it would declare the car a write-off. 1st Central said it would pay £16,220. It waived his excess as the collision was judged to be the third party’s fault.

Mr T wasn’t happy with this valuation and he complained. 1st Central increased its valuation to £17,466.

Mr T didn’t accept the valuation and brought his complaint to this service. He thinks the car was worth about £3,000 more than he was offered. Our investigator looked into it and said he thought 1st Central’s revised valuation was fair.

Mr T didn’t agree with the view and asked that his complaint was reviewed by an ombudsman. So his complaint has been passed to me to make a final 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.

I’m not upholding Mr T’s complaint and I’ll explain why as I appreciate this will come as a disappointment to him.

I’ve read brief details about what happened to Mr T and I’m sure the collision must have been a very shocking experience.

Our investigator has already explained this service’s approach to valuing a vehicle, which is to use trade guides. I’ve looked into these trade guides and I can see the following values:

Trade Guide A £17,375

Trade Guide B £16,220

Trade Guide C £17,466

It’s the approach of this service that the highest value from the trade guides is used as the market value for Mr T’s claim. If either party doesn’t agree with that valuation, then they need

to provide evidence why.

I've mentioned above that Mr T didn't agree with the valuation. He provided further evidence about why he didn't agree in the form of adverts for the same make and model of car, with further information about the accessories fitted to his car.

I've looked carefully at his evidence and compared it to the marketplace and the trade guides I've mentioned above. Having done so, I'm afraid that I don't agree his evidence shows 1st Central hasn't paid him enough. The key reasons here are that adverts don't necessarily show the actual sale price of a car and that Mr T was understandably using a public-facing website to investigate values, rather than the trade price data which is derived from actual sale prices achieved by the sellers.

So, I'm afraid that I don't agree his evidence shows 1st Central undervalued his car. I think it has acted fairly and in line with this service's approach. It follows that I'm not upholding this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 18 December 2024.

Richard Sowden
Ombudsman