

The complaint

Mrs M complains about the amount Premier Insurance Company Limited (“Premier”) valued her car for after it was damaged in a collision.

What happened

Mrs M had a motor insurance policy with Premier covering her car. She bought the policy through a broker.

In May 2024 a third party collided with her car when it was parked near her home. She contacted Premier and made a claim.

Premier assessed her car as being beyond economical repair and said it would be written off. Mrs M wasn’t happy about the amount offered to her by Premier, and she complained.

Premier increased its valuation to £4,405.

Mrs M wasn’t happy about the valuation and she brought her complaint to this service.

Our investigator looked into it and thought it would be upheld. She thought Premier should settle Mrs M’s claim at a value of £4,552.

Mrs M didn’t agree with the valuation. She says her car was worth about £5,000. She has also raised further issues about Premier’s, and the broker’s, service.

Because she didn’t agree, this complaint has been passed to me for 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.

It’s important I start by explaining that I’m only able to consider the parts of Mrs M’s complaint that she’s already made to Premier, and for which it’s provided its final response.

I can see in the file that Mrs M has mentioned further complaints about getting her excess back, and she’s also commented on the way her claim was dealt with by Premier. It’s my understanding that Mrs M has now been refunded her excess by the third party, but has some worries and concerns about the way her broker dealt with it. She can make a complaint to the broker about this, and bring that complaint to this service in due course.

I can’t see that Mrs M has made a complaint to Premier about its claims service, so I’m not able to comment on that aspect here.

This complaint can only consider the matter of the valuation of her vehicle

I’m upholding Mrs M’s complaint. But it’s important that I say I’m not going to ask Premier to pay the amount Mrs M wants for her car. I’ll explain why.

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 £4,495

Trade Guide B £4,220

Trade Guide C £4,338

Trade Guide D £4,552

It's the approach of this service that the highest value from the trade guides is used as the market value for Mrs M's claim. If either party doesn't agree with that valuation, then they need to provide evidence why.

I've mentioned above that Mrs M didn't agree with the valuation. She provided further evidence about why in the form of adverts for similar cars, the sourcing of which she said was difficult due to the car's age and rarity meaning there weren't many comparable models.

Premier also supplied evidence of adverts showing that this service's proposed valuation was high.

Taking all of the evidence provided by both parties into account, I can see that the age and mileage are key issues in the valuation of Mrs M's car. There are so few options in the marketplace that slight variations seem to affect the price to some extent. I've considered the evidence sent by both parties, but I don't find it persuasive.

Mrs M has talked about what she sees as a 'closed book' approach to vehicle valuations as she doesn't have access to the same data as Premier and this service. What she can see is retail, or asking prices, for cars which may not be the same as those achieved in actual sales of vehicles. In her approach to this service I can see Mrs M talks about trade values for cars. It's important I say that although we talk about 'trade guides', the figures I've supplied above are the retail values. In other words, the prices consumers have paid for their cars.

This service's approach to vehicle valuations is published on our website, and I'd remind Mrs M that we're an independent informal dispute resolution service. In reaching this decision I've followed our approach.

If she doesn't agree with my decision then she's free to take action in court to recover the amount she thinks her car is worth. She should take legal advice if she wishes to do so.

It follows that I'm upholding Mrs M's complaint about the value of her car and Premier now need to settle her claim at a market value of £4,552. Interest at 8% simple needs to be added to the balance, from the date her claim was settled to the date Premier makes this payment.

My final decision

My final decision is that I uphold this complaint. I direct Premier Insurance Company Limited to settle Mrs M's claim at a market value of £4,552 subject to the remaining terms and conditions of the policy.

Interest at 8% simple should also be paid on the difference between the earlier settlement figure and this amount, from the date the earlier payment was made to the date payment is made.

Premier Insurance Company Limited must pay the amount within 28 days of the date on which we tell it Mrs M accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

If Premier Insurance Company Limited considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mrs M how much it's taken off. It should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 19 December 2024.

Richard Sowden
Ombudsman