

complaint

Miss C says Markerstudy Insurance Company Limited didn't pay her enough when she claimed on her motorcycle insurance policy after her scooter was written-off.

background

Miss C bought the scooter in September 2017 for £1,650. In October 2018 it was stolen. It was later found, vandalised. Markerstudy said it was a total loss. Its engineer looked at the national trade guides to check what its market value was, and offered Miss C £1,100 for it. She said that wasn't enough. She found adverts online for vehicles she thought were similar to hers advertised at higher prices.

Markerstudy said it didn't rely on adverts, and that anyway Miss C had provided an advert for a bike with very low mileage. But it also said it would consider an advert showing a bike with similar mileage and of similar age to Miss C's bike. Miss A also queried the £350 Markerstudy deducted from its offer for her excess. She thought it was only £50. But her broker confirmed that Markerstudy had used the correct sum.

One of our investigators looked into Miss C's complaint. He checked the two valuations Markerstudy said it had found in the trade guides. They were in line with those he found. The investigator also looked at a third trade guide. The valuation given in it was much out of line with the other two, so he disregarded it. He thought Markerstudy had acted reasonably in the sum it offered Miss C and in not relying on adverts. He said we don't give much weight to advertised prices, as they're usually inflated to allow for negotiation.

As there was no agreement, the complaint was passed to me for review.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I don't think it should be upheld.

Miss C's policy says the most Markerstudy will pay for a vehicle is its market value. It says market value at the time of loss will be assessed by an engineer, using the national trade guides. We think the best way to find the likely market value of a vehicle is to look at the national trade guides. The valuations in them are from extensive research into likely selling prices. I think it was fair for Markerstudy to take this approach in valuing Miss C's scooter.

As the investigator said, we don't place much weight on the prices set out in adverts. In general they don't reflect selling prices. So even if Miss C had found a scooter very similar to hers in age and mileage, I think it's unlikely to have sold for the asking price. I wouldn't have expected Markerstudy to change its valuation based on that.

Markerstudy told us the valuations for Miss C's scooter were £1,037 and £1,107. The investigator found identical valuations when he checked the trade guides. So Miss C can be assured that Markerstudy didn't make an error when getting the prices it used. But some of Markerstudy's documents say the offer it made to Miss C was only £1,000. The investigator checked with it that £1,100 was the actual sum paid (minus the policy excess).

I understand why Miss C believes Markerstudy's offer was too low. She'd paid £550 more than that for the scooter just over a year previously. She thought the depreciation on it over a

year would only be 10%. But the evidence in the trade guides is clear. It's possible Miss C paid too much for the bike in 2017. Or it may just have lost more value than she expected.

As Miss C's policy excess was £350, she was only entitled to £750 from Markerstudy. It was fair to deduct the excess, and Miss C had agreed to that when she bought the policy. But it would still have been disappointing not to have more money to put towards a new scooter.

Despite my sympathy for Miss C's situation, I think Markerstudy acted reasonably in dealing with her claim, so I can't uphold her 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 Miss C to accept or reject my decision before 22 December 2019.

Susan Ewins
ombudsman