

final decision	
complaint by:	Mrs A Shewring
complaint about:	Sabre Insurance Company Limited
complaint reference:	2135-9782/JG/MI04
date of decision:	8 November 2019

complaint

Mrs S has complained that the total loss settlement sum Sabre Insurance Company Limited paid for her car is too low. Mrs S made a claim under her car insurance policy when her car was stolen. Mr K is representing Mrs S in her complaint.

background

Mrs S made a claim to her insurer, Sabre following the theft of her car in September 2018. Sabre initially gave a total loss settlement sum of £4,000 for her car, but increased it to £6,000 on receipt of further evidence from Mr K.

Mr K asked us to look at Mrs S's complaint because he still felt the valuation Sabre had paid was too low. Mr K believed a fairer valuation for Mrs S's car was in the region of between £8,000 and £12,000.

Our adjudicator looked at the information both parties provided and he checked the classic car guide as Mrs S's car was first registered in the 1960s. Although Mr K had provided photos and some documents to show the car's history, these were limited. But from the guides the adjudicator thought a fair price was the starting dealer price given of £8,000 based on a similar car in good condition. He thought Sabre should pay interest at 8% simple interest a year on the difference.

Mr K accepted the adjudicator's findings although he commented that it was lower than he'd hoped for.

Sabre didn't agree. It said there's no evidence to show the condition of the car since it was purchased by Mrs S in 2015. The photos provided indicate they are from 2015. A lot can change in three years. Due to the limited service history provided, it believes the valuation it paid of £6,000 is reasonable.

So the case has been passed to me to decide.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

We don't decide a valuation. But we look at whether an insurer has reached its decision reasonably and in line with the policy.

Mrs S's policy with Sabre says the most it will pay in the event of a claim is the market value of the car at the time of loss.

Our usual approach is to rely on the main motor trade guides to see if what the insurer has paid is reasonable. But in this case they don't apply because of the age of Mrs S's car.

Sabre looked at adverts for similar cars online. It also considered photos Mr K provided to show the condition of Mrs S's car. It agreed to increase the valuation from £4,000 to £6,000. But it said the value of a classic car depends hugely on its condition and the service history. So Sabre said it was prepared to reconsider its valuation if Mr K provided additional documentation to support the condition and maintenance history of the car.

I've reviewed the documents provided and I think they are limited. And I think some of the photos – showing a celebration bow on the car – suggest they were taken when Mrs S purchased the car in 2015.

Because Mrs S's car was stolen, it's not possible for an engineer to decide a fair pre accident value under a physical inspection. There's not enough to suggest Mrs S's car was in poor condition – but also not enough to suggest it was in excellent condition either.

The classic car guides gave a starting valuation for a similar car to Mrs S's in good condition of £8,000. So on balance, I think the valuation Sabre reached of £6,000 is too low. I therefore agree with the adjudicator's recommendations in this case and think Sabre should increase the total loss settlement to £8,000. I think it should pay interest on the difference as set out below.

my final decision

For the reasons I've given above, my final decision is that I uphold this complaint. I require Sabre Insurance Company Limited to do the following:

- Increase the total loss settlement it paid Mrs S to £8,000 (minus the excess already deducted).
- Pay interest on the difference at a rate of 8% simple interest from the date it originally settled the claim to the date it pays the difference

Sabre must pay the compensation within 28 days of the date on which we tell it Mrs S accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 8 December 2019.



Geraldine Newbold
ombudsman