

The complaint

Mr I complains about Gefion Insurance A/S (Gefion), who provided his taxi insurance. He's unhappy with Gefion's valuation of his vehicle after it was deemed a total loss. Mr I is also unhappy with the service he received during the claims handling process.

What happened

Mr I's taxi was hit by a third party whilst it was parked outside his house. Witnesses to the accident managed to get the vehicle registration details of the third party before they fled the scene. Mr I claimed for the damage through his taxi insurance with Gefion. His taxi was deemed a total loss. After turning down the first settlement offer, he accepted Gefion's next settlement offer and confirmed receipt of the payment of £6,300, net of all excess charges, on 25 November 2019. He also kept the vehicle under this settlement.

Mr I says he's unhappy with how Gefion handled his claim. He says it didn't keep him informed about its progress and took too long to settle the claim. Mr I also says he doesn't think the valuation he accepted was fair.

Gefion says that it initially offered £8275.00 for the settlement of the claim. Mr I didn't accept this and raised a formal complaint about both the settlement offered and the way the claim had been handled. In the end Gefion offered a settlement valuing the vehicle at £10,000. After the £700 excess and £3,000 salvage costs were deducted, Mr I kept the vehicle and received payment for the remaining £6,300. Mr I still wasn't happy. So he complained to this service.

Our investigator upheld his complaint. Although he felt that the valuation was fair, he felt that Gefion should compensate Mr I £300 for the lack of communication and for the inconvenience he'd been put through. He also felt that Gefion should reduce the excess it applied by £200 as per the policy terms. As Gefion didn't reply to our investigator, 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.

First I note that despite several requests for Gefion's files on this complaint, it's not responded to this service. Its agent has sent some files on the matter. And I also have access to information about this complaint provided by Mr I. So my decision will be based on the information I have from Mr I and Gefion's agent.

Looking first at the part of the complaint about the valuation, I note that this service's role in such disputes is not to provide an exact valuation of the vehicle in question but to determine whether the business' offer is reasonable. Our starting point is to look at four specialist motor trade guides. We use Glass's, CAPs, Parkers and Cazana. The valuations they provide are calculated on the likely sales prices and not advertised prices.

Mr I's policy booklet states the following:
Under "SECTION A – DAMAGE TO YOUR VEHICLE

The most we will pay:

We will not pay more than the lesser of the market value of the vehicle at the time of the loss and the amount your vehicle is insured for less any excesses. If you bought your vehicle at a lower price than would normally be found in UK trade guides, we will reduce the market value accordingly."

As Mr I's vehicle was deemed a total loss, under the terms of his policy Gefion were obliged to pay the market value of the vehicle immediately before the loss. So to see whether its offer was reasonable, I need to see if £10,000 reasonably reflected the value of the vehicle before the claim.

Considering the mileage of the vehicle and assuming it to have been in a clean/good condition, I've reached the following valuations:

- Glass's £9,130
- CAPs £8,650
- Cazana £8,903

No data was available for Mr I's vehicle on Parkers.

Given the average of these valuations is a little under £9,000, the £10,000 settlement offer (before excess and salvage charges) Gefion made looks to be fair and reasonable. So I won't be asking Gefion to reconsider its settlement offer.

Mr I has also noted the "*Prompt Reporting Benefit*" in his policy booklet. This says:
Where you are involved in an accident with another party and blame rests with you in full or in part the total excess(es) payable by you as shown in your schedule will be reduced by £200 provided that you fully comply with the following claim/incident reporting requirements:

1. *That you report the accident using our incident reporting line 0345 184 9999 and;*
2. *That you have reported the accident in full within 72 hours following the date and time of the accident and;*
3. *As an integral part of your notification in 1 and 2 above that we are provided with full details of the other party defined as a minimum of either:*
 - 3.1 *The full name of the other party and at least one valid telephone number and the registration number of their vehicle**or:*
 - 3.2 *The full name of the other party, their full home postal address and post code and their vehicle registration number"*

Mr I feels he's met reporting requirements 1 and 2. And notes he's provided the third-party registration number, telephone number and their full name. But this excess reduction doesn't seem to have been applied. From the evidence I've seen, Gefion should've reduced the excess it charged Mr I by £200 in line with this policy term.

Now I will look at the service Mr I received during the claim.

Mr I explained he had to chase Gefion for updates throughout the claim. I've not seen the full contact or claim notes from Gefion so it's difficult to assess this. But I have received the emails Mr I had from when the claim was originally raised. I also note that Gefion's agent has confirmed that it's been pursuing the third-party insurer for the claim. And that it's instructed its solicitors to take further action. Although it's common for claims going through litigation to take time, I expect the insurer to update the policyholder about this.

Mr I has also provided his detailed call notes showing dates, duration and a summary of the calls he had with Gefion's agent. There were many calls noted, taking lots of Mr I's time. It

appears from these that Mr I didn't receive call backs on many occasions. He also looks to have been given contradicting information. So he doesn't appear to have been served well. Although it's common for a policyholder to experience some inconvenience when making a claim like this, I think Gefion and its agents have caused more than the usual amount of inconvenience in this claim.

I also think that due to the nature of Mr I's job, the length of the claim and the lack of clear updates would've been particularly distressing to him. Mr I needed a vehicle so he could work. So having to chase up his claim for eight weeks would've had a big impact on him. The call notes Mr I provided also suggest that he made more than 100 calls between 12 September 2019 and 2 December 2019. Taking all of this into account, I think Gefion should pay Mr I £300 for the distress and inconvenience it's caused him.

Putting things right

In summary, and in the absence of any claim or contact notes from Gefion, I require it to compensate Mr I £300 for its lack of communication and the calls he's made to receive updates on his claim. I also require Gefion to reduce the excess by £200 as per the policy.

My final decision

For the reasons set out above, I uphold Mr I's complaint.

I require Gefion Insurance A/S to pay Mr I £300 for the distress and inconvenience it caused him over the course of the claim. I also require it to pay Mr I £200 in respect of the *Prompt Reporting Benefit*.

Gefion Insurance A/S must pay the compensation within 28 days of the date on which we tell it Mr I 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 8% a year simple.

*If Gefion Insurance A/S consider that it's required by HM Revenue & Customs to deduct income tax from that interest, they should tell Mr I how much it's taken off. It should also give Mr I a certificate showing this 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 Mr I to accept or reject my decision before 25 March 2021.

Jo Occleshaw
Ombudsman