

complaint

Mr S says he got poor service from Hastings Insurance Services Limited after he made a claim on his motor insurance policy.

background

Mr S's car was badly damaged in an accident in December 2016. Hastings said it was a total loss and offered Mr S £1,500, less the policy excess. He says it told him he had 30 days after the settlement to add another car to the policy. And he says Hastings told him if he did that, the rest of the policy premium wouldn't be deducted.

Mr S tried to add a car quickly, but as it was already insured elsewhere, Hastings couldn't agree to insure it. He says Hastings then cancelled the policy and deducted the remaining policy premiums from the settlement sum. Mr S only got £640 for his car. Mr S wants the sum that was deducted for the premium back. He also raised issues about the lack of a courtesy car and the amount paid for his vehicle.

Hastings said Mr S was advised correctly that the full outstanding policy premium would be taken. It says he was told the direct debits would only continue if he added a car *before* the total loss payment to him was raised. Hastings apologised for any confusion caused. It offered him £50, as a gesture of goodwill. Mr S wasn't happy with that.

Initially, our investigator said there was nothing in the policy about leaving a policy running for 30 days after a total loss settlement. She said Mr S had been misled. Later she reviewed the complaint. She noted that Hastings had told Mr S that the remaining premium – due by direct debit payments - would be deducted from the settlement, so it hadn't acted unfairly.

Mr S didn't accept the investigator's view. Hastings said it had given Mr S the correct advice. It said the policy wasn't cancelled and remained open, so Mr S could still add a vehicle to it. 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.

There's no doubt that Hastings informed Mr S by letter and during calls that the policy excess and the rest of the premium for the year would be taken from the settlement sum. Under the policy, Hastings was entitled to deduct both amounts.

Mr S asked about adding a car to the policy. Hastings told him one could be added for up to 30 days after the settlement sum was paid. It *didn't* say it wouldn't deduct the rest of the premium if he added a car after that point. I think Mr S firmly believed that was the case, but I don't think it's Hastings' fault that he was confused about the issue.

Mr S thinks the policy was cancelled straight after the settlement sum was paid. But Hastings says it wasn't cancelled. I don't think there's anything to show there was a cancellation at that time. So he could still have added a car.

Even if there was nothing in Mr S's policy to say he could add a car for 30 days after the settlement, I don't think that was a detriment to him. He was given the chance anyway. But once Hastings made a payment to Mr S for the car, it was entitled to take the full premium. *Before* that point, Mr S could have added a car and the direct debits would have continued. Mr S seems to think he should have been paid in full for his car but shouldn't have had to pay the full premium for the policy. That's not something any insurer would agree to.

Mr S also complained about not getting a courtesy car, but Hastings said it was clear to it from the start that his car was going to be a total loss. That was correct, but it needed to be confirmed by an independent engineer. That's partly why there was a delay in Mr S getting the settlement sum. It was also a matter of bad timing – the accident happened in the week before the Christmas and New Year holiday period. I don't think it was unreasonable for Hastings not to give Mr S a courtesy car. It seems it was always very likely that his 12 year-old vehicle (which had sustained heavy damage and wasn't driveable) would be written-off.

Mr S says the settlement offer was imposed on him. Although it doesn't look as though he complained to Hastings about this initially, I'll comment on it briefly. Notes on Hastings file say the independent engineer agreed the offer with Mr S and it was based on trade guide valuations. We usually say that's a reasonable way to value a car.

As I don't think Hastings acted unreasonably, I can't uphold Mr S's 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 S to accept or reject my decision before 30 October 2017.

Susan Ewins
ombudsman