

## complaint

Mr R complains that CIS General Insurance Limited promised his car would have an agreed value of £500 if it was written off, but that the terms of the policy say that he'll only get its market value. He's also unhappy that his policy documents record nine years no claims discount (NCD) when it should be ten.

## background

When Mr R called CIS to renew his car insurance, he asked the adviser, J, if he could record the value of the vehicle as £500 - £600. J agreed to do this, but when Mr R received his policy documents they said he was only entitled to the market value. He complained about this and the nine year NCD to CIS. When CIS rejected his complaint Mr R came to us.

The adjudicator who looked at the complaint thought it should be upheld in part. He accepted that J had given Mr R the impression that he could specify a value of £500 for his car. He asked CIS to pay Mr R £50 for trouble and upset and, if the car was written off during the term of the policy, to pay Mr R £500 rather than assess the market value at the date of loss.

The adjudicator accepted that if Mr R took out car insurance with another company, CIS would provide him with an accurate record of his NCD, so he didn't think CIS needed to do anything more for the time being. Mr R wasn't happy with this as he felt this was part of an insurance scam which had been reported in the press.

CIS also disputed the adjudicator's findings. It agreed to pay Mr R £50 but it challenged the suggestion that, if Mr R's car was a total loss before the policy ended in April 2016, it should pay him £500.

So the case has now come to me to be reviewed.

## my findings

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

CIS says that Mr R *'assumed that by informing us he wanted the value noted as £500 - £600 this would be what he received in the event of a claim.'* It says that J explained to Mr R that the value of the vehicle would be determined by the underwriters.

I have listened to Mr R's call to J. Although J does refer to the underwriters, this is in the context of a valuation of up to £999. The conversation then moves on to a discussion about whether J can change the valuation to £500 - 600. J readily agrees to do this and confirms at the end of the call that Mr R wants him to change the valuation to *'about £500 did you say? That's fine.'* J makes no attempt at that stage to explain to Mr R that, whatever the value noted, any claim for the vehicle's loss will be limited to its market value at the time.

So I disagree that Mr R's understanding that the value of the car would be recorded as £500 was just based on an assumption that he made. I'm satisfied that J gave Mr R the reasonable belief that it was possible to specify a value of £500 and that that is what he was going to do for Mr R. I agree with the adjudicator that, if Mr R's car is written off before the

policy expires in April 2016, he should get £500, less the excess, in addition to the £50 for the trouble and upset caused to Mr R.

Mr R's complaint about the NCD relates to CIS's failure to include the six years NCD he had when he first took out a policy through CIS. He's concerned that if CIS doesn't provide an accurate record of his NCD he'll have to spend time and money making phone calls to sort it out if he does go elsewhere for his car insurance. CIS has confirmed to the adjudicator that there shouldn't be any problem, but it isn't willing to change its normal practice of only issuing written confirmation of the NCD at the time the situation arises.

If Mr R decides to stay with CIS, it will continue to calculate his NCD on the basis of his full entitlement. If Mr R decides to go elsewhere CIS will provide confirmation of his NCD which is accurate at that date. I can see no advantage or purpose in asking CIS to provide written confirmation of information which has no immediate use and which may need to be updated when it is needed. I appreciate that Mr R is concerned by accounts he has read in the newspaper of insurers creating problems which can only be resolved by calling premium numbers, adding to the cost for the consumer and to the profit of the insurer.

If Mr R finds himself in this situation, he can make a complaint based on the specific problem he's had. In looking at a complaint we don't speculate as to what might happen in the future. We can only base our decisions on events that have already taken place. Mr R has alerted CIS to his concern about the accurate recording of his NCD. CIS has agreed it will make sure accurate information will be passed on, if and when it's required. I don't think there is anything further that CIS needs to do at this stage.

### **my final decision**

I uphold the complaint in part. I require CIS General Insurance Limited to pay Mr R £50 for his trouble and upset. In the event that his car is deemed to be a total loss within the meaning of his current policy and prior to its expiry on 30 April 2016, CIS must settle the claim on the basis that the vehicle has a value of £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 15 February 2016.

Melanie McDonald  
**ombudsman**