

complaint

Mr K has complained that Hastings Insurance Services Limited's service to him was poor and the market value it paid for his car was too low. He made a claim under his car insurance policy.

background

Mr K's car insurance policy came up for renewal with a broker, Hastings. He called it to negotiate the price he'd pay for another year's cover. Hastings gave Mr K a price of £2,026.28. This took into account a speeding conviction from December 2015. Mr K decided not to renew his policy, so it lapsed.

About a week after his policy lapsed, he bought another policy. This was also through Hastings, but he bought it through a comparison website. The premium was £1,298.49. It didn't take into account Mr K's speeding conviction.

Hastings increased Mr K's premium and charged him an administration fee after it found the conviction on a claims database. At around the same time, Mr K's car was involved in an incident and declared a total loss. Hastings dealt with the claim and paid Mr K a market value of £8,090.

Mr K complained to Hastings. He said it knew about the conviction and he added it to the website when he applied for the policy. A call handler told him there was a glitch with the website and his premium wouldn't go up anyway. The market value Hastings paid him for his car wasn't enough. He'd had to make lots of calls to Hastings about the claim. He was unhappy about the location of his car and how much Hastings paid for his personal belongings.

Hastings said the insurer sets the premium, so it has no control over the increase he was asked to pay. But it was Mr K's responsibility to disclose his speeding conviction when he applied for a new policy. It apologised for sending Mr K a text telling him no further charges would apply before the underwriter increased the premium. For the confusion this caused, it paid Mr K £100 compensation.

It acknowledged that Mr K had been passed between departments during the claim and had made many calls. For the poor service it provided it paid Mr K a further £100 compensation.

Hastings agreed it didn't deal with Mr K's claim as well as it should have. There was some confusion as to whether his car would be repaired or not. For this, it paid Mr K a further £100 compensation.

It said Mr K's car was brought to a dealership garage following the incident. It was Mr K's responsibility to collect his personal belongings and he was aware of the location and had time to do this.

The engineer decided the market value of Mr K's car based on the motor trade guides and made an adjustment due to the below average condition of his car before the incident. So it said the valuation was fair.

Hastings sent Mr K a direct payment of £300 a few days later. Mr K remained unhappy, so he asked us to look at his complaint.

The adjudicator who investigated Mr K's complaint didn't recommend it should be upheld. He felt Hastings had dealt with Mr K's complaint in a fair and reasonable way.

Mr K didn't agree. He believes the increase in premium for the speeding conviction isn't reasonable and he's tried to contact the underwriter about it. He doesn't agree the location of where his car was left after the incident was reasonable as it was over an hour away. His car still belonged to him up until he was given a market value for his car. So Hastings had no right to move it to another location without his permission.

He doesn't agree Hastings fairly valued his car. So he wants an ombudsman 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. Having done so, I don't intend to uphold it.

Hastings has provided a screenshot of the quotations Mr K obtained on the comparison website, along with the question he was asked about his previous convictions, endorsements, penalties, disqualifications or bans in the last five years. I think the question was clear. The information shows Mr K didn't disclose his speeding conviction when he bought a new policy after his previous policy through Hastings lapsed. The premium is almost identical to the premium Hastings quoted Mr K over the phone, taking into account the conviction. Without the conviction, the premium is much lower.

The adjudicator has explained to Mr K that he will need to make a separate complaint to the insurer or underwriter if he feels it hasn't fairly applied the increase to his premium. Hastings applied the increase in premium as set by the insurer. I think Hastings acted correctly here.

Mr K's car was held at a dealership garage after the incident. The engineer's report shows he tried to contact Mr K several times to discuss the valuation for his car but couldn't reach him. Once Mr K's car was declared a total loss, it was accruing daily storage charges at the garage which were higher than the location his car was moved to. As the engineer couldn't speak to Mr K, he arranged for Mr K's car to be moved to avoid further daily charges at the dealership garage.

Mr K's policy has a term which isn't unusual and allows Hastings to deal with a claim in a way it sees fit. So it's entitled to manage the claim in the most cost efficient way. I appreciate Mr K says the location was over an hour away. But Hastings made him aware of the location, so he was able to collect his personal belongings. I note that Hastings settled Mr K's claim for all of his personal belongings, apart from a carpet fitted in the boot.

We don't decide a value for a car. But we look at whether the business reached the valuation reasonably, and in line with the policy. Mr K's policy says Hastings will pay the market value of his car at the time of loss.

The independent engineer who inspected Mr K's car described its pre-incident condition as being below average. I know Mr K believes the photos taken made his car look worse than it was. But I think the engineer has provided a detailed report with images to support his account, which is fair.

The average of the three main motor trade guides for Mr K's car came to £9,576. The engineer estimated the pre existing damage repairs would cost £1,630. He gave a final valuation figure of £8,090. I think this was reasonable, so I don't think Hastings needs to increase the settlement it paid. As a claim was made under Mr K's policy, no refund is due as Hastings has met its obligation under the policy to cover total loss.

Taking everything into account, I think Hastings dealt with Mr K's complaint in a reasonable way. So the total compensation of £300 it paid Mr K is a fair sum for the poor service and delay it caused.

my final decision

For the reasons I've given above, 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 K to accept or reject my decision before 5 June 2017.

Geraldine Newbold
ombudsman