

## **complaint**

Mrs M complains about the handling of a claim she made under her motor insurance policy with Swiftcover Insurance Services Limited following an accident in which her car was written-off.

## **background**

When Mrs M was advised by Swiftcover that her car was considered beyond economic repair, it also advised her that, in line with her policy, the policy excess and any outstanding premiums for the year would be deducted from the sum due to her. Mrs M tried to make other arrangements with Swiftcover, but in the end the deductions were made anyway. She says that a further sum of £20 was deducted in error and that Swiftcover failed to compensate her for the numerous calls she had to make to it to discuss the claim.

Our adjudicator did not uphold the complaint. In her view Swiftcover acted reasonably and within the terms of the policy. Although she accepted that some errors had been made, she concluded that the claim had been dealt with quickly and that some of the telephone calls made by Mrs M may not have been necessary. As Mrs M disagreed, the complaint was passed to me for review.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I am satisfied the policy makes it clear that, in the event of a claim, any outstanding premiums will be deducted from any claims payment made to the consumer. This reflects standard practice, as insurance contracts are based on the full annual premium being paid. It is also standard practice to deduct the policy excess. In this case, Mrs M was advised that the policy excess and the remaining premium due on her policy were to be deducted.

I am also satisfied that Mrs M's payments to Swiftcover were in arrears, and that Swiftcover would also have been entitled to deduct that sum from the total loss payment.

Mrs M queried the deduction of premiums from the settlement sum due, however, and Swiftcover advised her that should she pay the arrears immediately, it would allow the remainder of the premium due to be paid in instalments, by direct debit. In my opinion, this offer was more than fair and reasonable; Swiftcover had no obligation to make the offer, and it appears that Mrs M's previous direct debit payments had not been paid on time from the inception of the policy.

Mrs M did not make the necessary arrears payment, so Swiftcover deducted all the premiums due from the settlement amount, including the arrears. It also decided not to allow her to make future payments by direct debit. Swiftcover has provided recordings of the numerous telephone conversations between it and Mrs M, and it does appear that there was some confusion on Swiftcover's part about this arrangement. Having just been given the offer referred to above by one department, another department then advised her that the premiums would be deducted from the settlement. In my view, Mrs M had reason to be unhappy about that, but Swiftcover did try to correct its error immediately; Mrs M was advised that she would still receive the full settlement amount if she paid the arrears that

day. Two people, including a manager, encouraged her to do that, but she refused. Instead, Mrs M made further calls to various departments, none of which could assist her.

In my opinion, Swiftcover did all it could reasonably be expected to do to ensure that Mrs M received the full settlement amount. I am also satisfied that it dealt with the claim quickly, as the settlement cheque was issued within three weeks of the accident (with the policy excess waived, as a gesture of goodwill).

In my view Swiftcover did make some errors during the administration of the complaint apart from the issue of confusion over the settlement offer outlined above. A £20 charge was made in error, but was quickly corrected. There was also some confusion about a courtesy car and a registration number. Although these matters were all put right, they did cause Mrs M to telephone Swiftcover more than she might otherwise have had to do. However, I am satisfied that many of the calls made by Mrs M were not necessary.

As an online company, Swiftcover carries out most of its contact with consumers by email, and it is not clear to me why Mrs M did not utilise that method of communication more, or why she persisted in calling Swiftcover after the final decision letter was issued. Although Mrs M says that Swiftcover told her that the cost of her calls to it would be reimbursed, I can see no reason why that would have been said. There is no evidence of it in the recordings of the telephone calls between Mrs M and Swiftcover, in fact I am satisfied she was told that the cost of calls could *not* be reimbursed, and that various offers were made to call her back.

I appreciate that Mrs M must have been distressed by the accident, by having to deal with a total loss claim and by having to secure another vehicle unexpectedly. I can understand that dealing with the complications of an insurance policy can only have added to that, as would the financial implications of the situation. Swiftcover could have handled some of its communication better in my view, but on balance I am not persuaded that Swiftcover acted unfairly or unreasonably in the way it dealt with Mrs M's claim.

### **my final decision**

My final decision is that I do not uphold this complaint.

Susan Ewins  
**ombudsman**