

The complaint

Mr W complains that Hastings Insurance Services incorrectly recorded the value of his vehicle despite him verbally confirming the amount over the phone. This resulted in his vehicle being underinsured

What happened

Mr W set up a van insurance policy with Hastings over the phone on 4 April 2023, after he received a quote online.

During this call Mr W told Hastings the value of his vehicle was £12999, even though the value of C's vehicle was put down as £9540 online. Hastings didn't amend the valuation and then Mr W received his policy documents on 4 April he noted that the valuation was incorrect. The policy started on 11 April.

Mr W contacted Hastings and told them the car valuation was incorrect. Hastings tried to explain that although the agent could have amended the value, if it was a total loss they would pay market value, but Mr W C decided to cancel his policy.

Hastings have apologised for their error and refunded Mr W the £20 set up fee which is normally non-refundable and only charged C for the days on cover from 11 – 15 April. Mr W was unhappy with Hastings' response and brought his complaint to us.

One of our investigators looked into Mr W's complaint but thought that Hastings offer was fair.

Mr W disagreed with our investigator's view, and so the case has come to me to review.

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.

What I have to decide is whether Hastings have acted fairly and reasonably.

Having done so I'm not upholding this complaint and I will explain why.

Hastings have confirmed that they made an error in not recording the value of the vehicle as £12999 as requested by Mr W. They did offer to correct this, but Mr W chose to cancel the policy instead and look elsewhere - which he is entitled to do. So I've thought about what impact this had on Mr W.

While I appreciate this would have caused Mr W inconvenience in having to make an additional call to Hastings, he chose to cancel the policy rather than amend it and so I can't fairly say that any inconvenience in terms of looking for a new policy was Hastings's fault. So

the only inconvenience I can see here is having to make the call on receipt of the policy to make the correction.

I'm satisfied that the under recording of the value of the car didn't cause any detriment to Mr W during the time he was on cover from 11 – 15 April. If an accident had occurred during that time, which had resulted in the car being a total loss, under the terms of the policy Mr W would have been entitled to the market value of his van, regardless of what value was on the policy application. This is because the policy terms say that in the event of a total loss, the market value would be paid. Market Value is defined in the policy as:

“The cost of replacing your van in the United Kingdom at the time the loss or damage occurred with one of the same make, model, age and condition. This may not necessarily be the value you declared when the insurance was taken out. Your insurer may use publications such as Glass's Guide to assess the market value and will make any necessary allowances for the mileage and condition of your van and the circumstances in which you bought it.”

So the value given to the van on the policy document would not necessarily have had any bearing on the value paid in the event of a total loss. There is no guarantee that Mr W would have got £12999 for it even if the policy had that figure on it.

I can see that Hastings agreed to refund the set-up fee of £20.00 and only charged Mr W for the period that he was on cover from 11 to 15 April – which was £3.48.

On balance I'm satisfied that Hastings have acted fairly in this case, and that the £20 refund of a non-refundable fee is sufficient recompense for the inconvenience caused.

My final decision

My final decision is that I'm not upholding Mw W's complaint, and I will not therefore be asking Hastings Insurance Services Limited to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 7 September 2023.

Joanne Ward
Ombudsman