

complaint

Ms C complains that after she made a claim on the motorcycle insurance policy she arranged through her broker, Devitt Insurance Services Ltd, she was charged an additional premium and had to pay a high policy excess. She considers both to be unreasonable.

background

During the investigation of the claim it emerged that Ms C had provided the address of a close relative, rather than her own address, when she took out the policy. The insurer re-evaluated the risk based on her address and decided to increase the premium. It also deducted from the settlement sum due to her not only the compulsory excess of £250 but also the voluntary excess of £500 to which she had agreed.

The adjudicator did not uphold Ms C's complaint. In his view, clear questions were asked about the address where the motorcycle was kept. It was therefore reasonable for the insurer to re-consider the level of the risk it was covering when it became clear where it had actually been kept. He also considered that clear information about the option to pay an additional policy excess was provided when Ms C took out the policy. He noted that Devitt had in any case negotiated with the insurer and it had agreed to charge Ms C £500 rather than £750 as the policy excess, which he considered to be reasonable.

Ms C disagreed with the adjudicator's conclusions. In her view, as she had made a genuine error about the relevant address, and she thought the questions asked of her at inception were different to those provided to us, an exception should be made. In addition, she considered the size of the increase in premium to be unreasonable. Ms C also asked that the £500 voluntary excess should be waived.

As there was no agreement, 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 that clear questions were asked about where the motorcycle would be kept overnight and that Ms C made a decision to provide inaccurate information. I appreciate that she was concerned about where post would be sent, as apparently it went missing when directed to her address. However, there was also a section on the form allowing consumers to enter a 'contact' address. I agree with the adjudicator that there is no basis on which to conclude that Ms C tried to mislead the insurer deliberately, but nonetheless, as a result of the address she provided it was not able to assess the risk of insuring her vehicle properly.

Ms C considers that the additional premium required by the insurer once it was aware of her actual address was excessive. I am satisfied that Devitt, as a broker, had no involvement in setting the level of premium due.

Turning to the policy excess, I agree with the adjudicator that the option of paying a voluntary excess was clearly set out when Ms C applied for the policy, and the default position was that no voluntary excess was payable. The adjudicator noted Ms C's belief that the questions she was asked at the time may have been different to those supplied to us. He obtained further information from Devitt that showed there had been no changes to the questions. Consequently, it appears that Ms C was confused or made an error at the time, but I cannot hold Devitt responsible for that.

I note that Devitt contacted the insurer and requested that the voluntary excess should be halved. The insurer agreed to that, although I appreciate that the total excess on the policy required of Ms C was still high (especially given the value of her vehicle). Whilst I have sympathy for the position in which Ms C has found herself, I am satisfied that Devitt acted fairly and reasonably in bringing about a reduction in the sum owed by her and that there is no basis on which to uphold a complaint against it.

my final decision

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

Susan Ewins
ombudsman