



Finance / Lease / Contract Hire Shortfall

Your Policy Terms and Conditions

Welcome

Thank you for choosing Direct Gap to provide Your policy. It is important that You read this document as it contains the full terms and conditions of This Insurance.

If You have any questions regarding the cover, please contact the Direct Gap Customer Services team on 01422 756 100, who will be happy to help.

Direct Gap is a trading style of Motor Gap Limited, Hawkstone House, Valley Road, Hebden Bridge, HX7 7BL. Registered in England, Company number 7109212. Motor Gap Limited is Authorised by the Financial Conduct Authority, Financial Services Register number 516846.

This policy is a contract between you and the Insurer, Financial and Legal Insurance Company Limited 1 Lakeside, Cheadle Royal Business Park, Cheadle, Cheshire SK8 3GW, which is authorised by Prudential Regulation Authority and regulated by the Financial Conduct Authority (202915) and Prudential Regulation Authority for the conduct of UK business. Registered in England and Wales under company number 03034220.

For details of authorised firms visit the FCA website on www.fca.org.uk or by contacting the FCA consumer helpline on 0800 111 6768.

The Insurer is covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if We cannot meet Our obligations to you. This depends on the type of business and circumstances of the claim. Insurance arranging and administration is covered for 90% of the claim with no upper limit. You can learn more about this scheme at www.fscs.org.uk or by phoning 0800 678 1100 or 0207 741 4100.

This insurance is administered and claims are handled by Spectrum Insurance Services Limited.

Important Information

All insurance policies have exclusions and restrictions. You should read the policy documentation carefully to make sure it provides the cover you need. You should take the opportunity to review and question any items that are unclear to you.

By proceeding to purchase this cover you confirm that:

- You are happy to do so at both the premium and terms indicated
- The protection is affordable to you.

You may need to review and update your cover from time to time to ensure that it remains adequate.

The insurance is provided on a non-advised basis so a personal recommendation to you about the suitability of this plan for your demands and needs will not be made. As such, it is your responsibility to decide whether this protection meets your demands and needs. We will be happy to provide you with factual information to assist you in making an informed buying decision.

Direct Gap has not provided you with any personal recommendations or advice about whether this product meets your specific insurance requirements.

Contents

Demands and Needs	1
What is Covered	1
What is not Covered	2
Eligibility	2
Understanding This Insurance	3
General Conditions	4
How to Make a Claim	5
Cancellation	6
Transfer	6
Data Protection Notice	6
Cyber Loss Absolute Exclusion	7
Our Commitment to Good Service	7
How to Contact Us	7

Demands and Needs

This protection will suit the demands and needs of an individual who owns / leases / hires a motor vehicle and wishes to insure against a financial shortfall at the point of total loss between the outstanding finance / hire / lease balance and the motor insurance settlement.

What is Covered

In the event of Your Vehicle being declared a Total Loss, This Insurance will pay the difference between the Outstanding Finance Balance and the Motor Insurers Settlement at the Point of Total Loss.

Cover will include up to a maximum of £1,000 motor insurance excess. The maximum amount We will pay is restricted to the claim limit shown in Your Schedule.

Customer Purchase Additional Options

Negative Equity (NE)

Subject to an additional premium being paid (identified by 'Negative Equity' in the additional option section of the policy Schedule) cover will include up to a maximum of £2,000 Negative Equity carried forward from a previous agreement financed within the original finance agreement.

Deposit Paid/Advance Rental Payment

Subject to an additional premium being paid (identified by 'deposit paid' in the additional option section of the policy Schedule) and in the event of a valid claim, this policy will cover the original deposit paid up to the maximum claim limit shown on your schedule as detailed on the finance agreement.

What is not Covered

Your Insurance does not cover

1. Any claim where the Total Loss is not subject to an indemnity under the relevant sections of Your motor insurance policy.
2. Any outstanding premium, claims excess above £1,000 deducted by Your Motor Insurer, claims excess that is recoverable from a third party or other source. If the Motor Insurer reduces the amount they pay to You due to Your contributory negligence or the condition of the Vehicle, We will reduce the amount We pay under This Insurance by the same amount.
3. Negative Equity, arrears, the cost of fuel, surrenderable road fund licence, insurance premiums and warranty costs.
4. Any claim where You have the option to receive a Replacement Vehicle under the terms of Your Motor Insurance Policy (new for old) in respect of the Total Loss of Your Vehicle. (The balance of this cover can be transferred to the Replacement Vehicle on request free of charge).
5. Any claim where the Total Loss occurs outside the Geographical Area or arises as a consequence of war, terrorism or civil commotion.
6. Any claim where the Total Loss is caused by an accident when the driver of Your Vehicle is under the influence of alcohol or drugs not prescribed by a registered medical practitioner or drugs prescribed by a registered medical practitioner in respect of which a warning against driving is given.
7. Any claim where the GAP loss is covered by any other insurance or warranty, compensation for loss of use of Your Vehicle or any resultant loss of any kind.
8. Any claim which is the subject of fraud or dishonesty.
9. Most passenger vehicles or vans up to 3,500kg GVW (Gross Vehicle Weight) can be covered, other than vehicles that;
 - Are not listed in Glass's Guide;
 - Have been previously recorded as an insurance total loss;
 - Have been modified from the manufacturer's specification (unless agreed by the Motor Insurer);
 - Are used as a taxi or minicab, used for any other type of hire or reward, including peer to peer vehicle rental & short term rental schemes and emergency vehicles;
 - Are heavy goods vehicles over 3,500Kg GVW;
 - Are mini-buses;
 - Are quad bikes or trikes;
 - Are used for road-racing, rallying, or any other competitive event;
 - Have a Purchase Price in excess of £100,000 (unless agreed by us in writing) and that are not fitted with a Thatcham or manufacturer approved tracking device.
10. Qualifying VAT if You are VAT registered.

Eligibility

1. **An individual or sole trader** will be eligible for this insurance cover if he or she:
 - a. Is at least 18 years of age at the start date;
 - b. Is the owner or registered keeper of the insured Vehicle or is the spouse or civil partner of the owner and registered keeper of the insured Vehicle and who has financial interest in the insured Vehicle;
 - c. Holds a valid, current full driving licence;
 - d. Is the policy holder or a named driver on the motor insurance policy
2. **A limited company** will be eligible for this insurance cover if:
 - a. It is permanently situated and registered in England, Scotland, Northern Ireland, Wales, the Isle of Man or the Channel Islands;
 - b. It is the registered keeper of the insured vehicle;
 - c. It has a motor insurance policy in place covering the insured vehicle for the lifetime of this policy
3. **A Vehicle** can only be considered as the insured Vehicle under this policy if it:
 - a. Is less than 10 years old;
 - b. Has covered less than 100,000 miles;
 - c. Has a recorded insured value of less than £100,000 (Unless additional premium has been paid);
 - d. Most passenger vehicles or vans up to 3,500kg GVW can be covered, other than vehicles that;
 - Are not listed in Glass's Guide;
 - Have been previously recorded as an insurance total loss;
 - Have been modified from the manufacturer's specification (unless agreed by the Motor Insurer);
 - Are used as a taxi or minicab, used for any other type of hire or reward, including peer to peer vehicle rental & short term rental schemes and emergency vehicles;
 - Are heavy goods vehicles over 3,500Kg GVW;
 - Are minibuses;
 - Are quad bikes or trikes;
 - Are used for road-racing, rallying, or any other competitive event;
 - Have a Purchase Price in excess of £100,000 (unless agreed by us in writing) and that are not fitted with a Thatcham or manufacturer approved tracking device.

Understanding This Insurance

What the terms mean

Any word or expression used in this document to which a specific meaning has been attached will have that same meaning throughout This Insurance and will appear with an initial capital letter.

- Geographical Area** means England, Wales, Northern Ireland, Scotland, Isle of Man and the Channel Islands. Cover also applies to member countries of the European Economic Community and any other country for which an International Motor Insurance Certificate is effective on Your Vehicle at the Point of Total Loss up to 120 days in any one trip.
- Glass's Guide Retail Value** means the car values guide published monthly by Glass's Information Services Limited used by the Insurance Industry in assessing vehicle values based on the adjusted retail valuation.
- Insurer / They / Their** means Financial and Legal Insurance Company Limited 1 Lakeside, Cheadle Royal Business Park, Cheadle, Cheshire SK8 3GW (registered no. 03034220)
- Motor Insurer** means the company that issued the certificate of motor insurance relating to the Insured Vehicle.
- Motor Insurers Settlement** means the Motor Insurers loss valuation excluding any deductions made by the Motor Insurer for Vehicle condition or pre-existing damage, any modifications, absence of service record or other such deductions.
- Negative Equity** means any finance balance carried forward from Your previous vehicle less any part exchange allowance made.
- Outstanding Finance Balance** means the amount owing to the finance company at the Point of Total Loss relating to the Purchase Price of the Vehicle, less any arrears, rebates, warranties, maintenance fees or any other insurance products.
- Period of Insurance** means the period this policy lasts for, as stated in the Schedule, except where a claim is made on this policy, in which case the policy will end when that claim settlement is made.
- Point of Total Loss** means the date and time of the incident that gives rise to Your claim for the Total Loss of Your Vehicle.
- Policy Start Date** means the date on which Your Insurance starts as shown in the Schedule.
- Purchase Price** means the price of your Vehicle, as confirmed in the sales invoice which includes factory fitted accessories and dealer fitted options up to £1,500, paintwork protection systems up to £250.

We exclude all deposit allowances, discounts, rebates, concessions, cashbacks, incentives and contributions. We also exclude new vehicle registration fees, road fund licence fee, number plates, warranty costs, insurance premiums, fuel and other extras, arrears or negative equity.

In the event of a transfer or where a bona fide purchase invoice from a VAT registered motor dealer cannot be provided and / or This Insurance is transferred more than 180 days after the Vehicle purchase date the Purchase Price will be based on the current Glass's Guide Retail Value applicable at the date of transfer of This Insurance.
- Schedule** means the part of This Insurance that contains details of You, Your Vehicle, cover selected, the Period of Insurance and claim limits.
- This Insurance** means the cover detailed in this policy document.
- Total Loss** means that You have claimed under Your Motor Insurance, Your claim has been agreed, Your Vehicle has been forfeited (title of the Vehicle transferred to the Motor Insurer or bona fide VAT registered salvage agent) and a payment made following the incident that rendered Your Vehicle beyond economic repair.
- UK** means the United Kingdom, Channel Islands and Isle of Man.
- Vehicle** means the car or light Van detailed on Your Schedule. Motorcycles, caravans and motorhomes, can only be covered with additional approval from a Direct Gap operative and will be subject to an additional premium.
- We / Us / Our** means Motor Gap Ltd.
- You / Your / Yourself** means the Insurance holder named in the Schedule, being the registered keeper of the Vehicle, person/company named as the account holder in the finance agreement covering the Insured Vehicle; and as the person/company named as the policy holder or named driver on the Motor Insurance policy.
- Data Controller** – The Insurer and Motor Gap Ltd T/A Direct Gap, who determines the purposes and means of processing Your personal data.
- Administrator** – means Spectrum Insurance Services Limited

General Conditions

1. Your Vehicle must be insured by a Motor Insurer authorised and regulated in the UK for its full market value. If You only have third party, fire and theft insurance You can only make a claim on This Insurance for Total Loss due to fire or theft. If the Motor Insurer reduces the amount it pays under Your Motor Insurance Policy because of Your contributory negligence or due to the condition of the insured Vehicle, We will reduce the amount We pay under this policy by the same percentage. Motor Trade Policies are excluded from this policy unless the vehicle is insured for its full market retail value.
2. For This Insurance to become effective, Your Motor Insurer must declare Your Vehicle a Total Loss, make a payment to You in settlement of Your claim, and the Vehicle forfeited.
3. You must take all precautions to safeguard the Vehicle against loss or damage. Where the Vehicle is left unattended all security devices or immobilisers must be activated, doors locked, windows closed and all keys removed from the Vehicle.
4. In the event of a Total Loss, **You must contact Us** within 120 days of the date on which the loss or damage occurred and We can advise You of the current Market Value of Your vehicle. **You must not accept a settlement offer** from Your Motor Insurer until You have contacted Us, and We have given Our consent for You to do so.
5. Failure to pay any GAP premium instalment will result in the immediate suspension of This Insurance and may result in cancellation. In the event of a claim, We will offset any outstanding premium against Your claim settlement.
6. **Consumer Insurance (Disclosure and Representations) Act 2012**

You are required by the provisions of the Consumer Insurance (Disclosure and Representations) Act 2012 to take reasonable care to:

- i. Supply accurate and complete answers to all the questions **We** or the **Administrator** may ask as part of **Your** application for cover under the policy;
- ii. To make sure that all information supplied as part of **Your** application for cover is true and correct;
- iii. Tell **Us** of any changes to the answers **You** have given as soon as possible.

Failure to provide answers in-line with the requirements of the Act may mean that **Your** policy is invalid and that it does not operate in the event of a claim.

7. Your responsibilities

- a. All **Insured Persons** must:
 - i. Observe the terms, conditions and exclusions of this insurance and **Your Motor Insurance**
 - ii. Take all reasonable steps to try to prevent any incident that may give rise to a claim
 - iii. Maintain all property and take all reasonable steps to minimise the amount payable under this insurance
 - iv. Report any claim caused by any criminal action to the Police within 24 hours

- b. **Insured Persons** will be entitled to cover under this insurance only if the circumstances, which **You** have confirmed to exist in **Your** application, remain applicable. If during the **Period of Insurance** these circumstances change, **You** must immediately notify **Us**. In such event the **Insurer** reserves the right:

- i. To charge an additional premium to continue cover;
- or
- ii. To cancel this insurance.

8. Recoveries/Subrogation

The **Insurer** reserves the right to take legal proceedings in **Your** name, at their own expense and for their own benefit, to recover any costs or damages they have paid out under this insurance to anyone else. If any **Insured Person** recovers any costs or damages previously paid under this insurance from any other party, such costs or damages must be immediately repaid to **Us**.

9. Disputes

If any dispute between the **Insured Person** and **Us** arises from this policy, the **Insured Person** can make a complaint to **Us** as described on the back page of this policy and **We** will try to resolve the matter. If **We** are unable to satisfy the **Insured Person's** concerns the **Insured Person** can ask the Financial Ombudsman Service to arbitrate over the complaint.

10. Assignment

This insurance is between and binding upon the **Insurer** and **You** and their/**Your** respective successors in title, but this insurance may not otherwise be assigned by **You** without the **Insurer's** prior written consent.

11. Waiver

If the **Insurer** or any **Insured Person** fails to exercise or enforce any rights conferred on them by this insurance, the failure to do so will not be deemed to be a waiver of such right, nor will it bar the exercise or enforcement of, such rights at any subsequent time.

12. Governing law

Unless the Insurers have agreed otherwise in writing, this Contract of Insurance will be governed by English law.

13. Third party rights

Unless expressly stated in this insurance, nothing in this insurance will create any rights in favour of any person pursuant to the Contracts (Rights of Third Parties) Act 1999. This Condition does not affect any right or remedy, of any person, which exists or is available otherwise than pursuant to that Act.

How to Make a Claim

1. What to do immediately:

Should you need to make a claim, please call the Administrator on **0114 321 9877** before accepting any offer from your motor insurer. If you do accept an offer before contacting us any claim settlement made to you could be changed to reflect the market value of your insured vehicle at the time of the total loss.

IMPORTANT

Do not accept a settlement offer from your motor insurer without first contacting the Administrator.

If you accept a settlement figure from your motor insurer which is less than the market value of your insured vehicle we reserve the right to instruct the Administrator to seek an increased settlement on your behalf, or ask them to calculate the benefit using the market value of the insured vehicle according to the retail value shown in Glass's Guide publication.

All claims must be notified as soon as is reasonably possible and in any event you should notify the Administrator within 120 days from the Point of Total Loss.

Please call the Administrator on **0114 321 9877**

Their claims department is open from 9.00am to 5.00pm Monday to Friday. They are closed on Saturdays and Sundays.

2. What happens next:

The Administrator will send You a claim form for You to complete and return.

You **must not** accept any settlement offer from Your Motor Insurer until You have been provided with the valuation and obtained the Administrator's agreement to do so.

You must fully complete the claim form and return it to the Administrator (this may be online). The completion and postage of any forms/documents the Administrator may require will be at Your expense.

You must supply all information and assistance which the Insurer or the Administrator may reasonably require in establishing the amount of any payment under This Insurance. Details of all information/documentation required will be confirmed by the Administrator.

Subject to receiving all necessary information and supporting documentation, Your claim will normally be settled within 30 working days, from receipt of all required documentation. Where applicable the settlement will be made directly to the finance company on Your behalf.

3. What we may require:

The Administrator may at any time request You to provide them with additional documentation to validate your claim.

The Administrator will be unable to process Your claim if You do not provide:

- a copy of Your Motor Insurance schedule; and
- Your motor insurer's written confirmation that the Motor Insurance Settlement has been paid following your claim for Total Loss and the terms on which the Motor Insurance Settlement was made; and;
- Your original invoice relating to the insured Vehicle; and
- a copy of Your finance agreement, written confirmation from Your finance company of the early settlement amount and the terms on which it has been calculated; and
- a valid crime reference in the case of malicious damage or theft.

The Administrator may request You to provide additional information which may be reasonably required by them to assess the validity of Your claim for benefit. If the Administrator does not receive such proof we will instruct the Administrator not to pay the benefit.

4. Your responsibilities:

You must comply with the terms and conditions of this policy. In particular, you must comply with the following conditions to have the full protection of your policy. If you do not comply with them, we may cancel this policy, refuse to deal with your claim, or reduce the amount of the claims payment.

a. Malicious damage or theft

You must in the case of malicious damage to or theft of the insured vehicle report the incident to the police within 24 hours of you being aware of the incident occurring and advise the Administrator of your valid crime reference number.

b. Claims procedure

Failure to follow the claims procedure set out in this policy may result in non-payment of your claim.

c. Dishonesty

If the Administrator or the Insurer make any payments as a result of dishonesty or exaggerated behaviour by you (or by someone acting on your behalf) they may demand that any payments made by them are paid back. They may take legal action against you for the return of such monies and they may demand that you reimburse them for any costs incurred.

5. Best Endeavours

Prior to acceptance of any offer, You must be able to demonstrate to The Insurer that You have used Your best endeavours to obtain the maximum settlement under Your Motor Insurance Policy.

If You accept an offer from Your Motor Insurer of less than the current Market Value of the vehicle the Administrator reserves the right to seek an increased motor insurance settlement on Your behalf and the Administrator may take action in Your name against any person including but not limited to Your Motor Insurer to recover any money the Administrator or the Insurer pay in settlement of Your claim. You must give the Administrator and the Insurer all reasonable assistance.

Cancellation

Our Right to Cancel

The Insurer shall not be bound to accept renewal of any insurance and may at any time cancel any insurance document by giving 14 days notice in writing where there is a valid reason for doing so. A cancellation letter will be sent to You at Your last known address.

We may cancel this insurance if in Our opinion You have at any time:

- a. Given Us false or incomplete information;
- b. Agreed to help anyone try to take money from Us dishonestly;
- c. Failed to meet the terms and conditions of this insurance;
- d. Failed to act honestly towards Us;
- e. Non-payment of premium;
- f. Threatening and/or abusive behaviour

Your Right to Cancel

You may cancel this insurance within 30 days of the policy purchase date and obtain a full refund by contacting Direct Gap.

After 30 days provided that no claim has been made you may cancel This Insurance and receive a pro-rata refund of the premium paid for each unexpired days cover, calculated at the date the cancellation request is received by Direct Gap. A £35 cancellation fee will apply.

To cancel Your policy please contact our Customer Services team on 01422 756 100, who will be happy to help, or email us on customerservice@motorgap.co.uk

Please note if a claim has been submitted on Your policy, no refund will apply.

Data Protection Notice

1. Use of your personal data

The Insurer is the Data Controller for the data You provide to Us. They need to use Your data in order to arrange Your insurance and associated products.

You are obliged to provide information without which They will be unable to provide a service to You. Any personal information provided by You may be held by the Insurer in relation to Your insurance cover. It may be used by The Insurers relevant staff in making a decision concerning Your insurance and for the purpose of servicing Your cover and administering claims.

2. Disclosure of your data

Information may be passed to loss adjusters, solicitors, reinsurers or other service providers for these purposes. They may obtain information about You from credit reference agencies, fraud prevention agencies and others to check Your credit status and identity. The agencies will record Their enquiries, which may be seen by other companies who make their own credit enquiries. If You provide false or inaccurate information and They suspect fraud, They will record this.

The Insurer and other organisations may use these records to:

- Help make decisions on insurance proposals and insurance claims, for You and members of Your household
- Trace debtors, recover debt, prevent fraud, and manage Your insurance policies
- Check Your identity to prevent money laundering, unless You furnish Them with satisfactory proof of identity.

3. Data transfer and retention

They process all data in the UK but where They need to disclose data to parties outside the European Economic Area (EEA) The Insurer will take reasonable steps to ensure the privacy of Your data.

Your data will not be retained for longer than is necessary. In order to protect Their legal position, They will retain Your data for a minimum of seven (7) years.

4. Your rights

They have a Data Protection regime in place to oversee the effective and secure processing of Your data.

Under GDPR legislation, You can ask Them for a copy of the data They hold, have it corrected, sent to a third party or deleted (subject to Their need to hold data for legal reasons). They will not make Your personal details available to any companies to use for their own marketing purposes.

If You wish to complain about how They have handled Your data, You can contact The Insurer and They will investigate the matter. If You are not satisfied with Their response or believe They are processing Your data incorrectly You can complain to the Information Commissioner's Office;

Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF
Tel: 0303 123 1113.

Cyber Loss Absolute Exclusion

1. Notwithstanding any provision to the contrary within this contract, this contract excludes any Cyber Loss.
2. Cyber Loss means any loss, damage, liability, expense, fines or penalties or any other amount directly or indirectly caused by:
 - 2.1. the use or operation of any Computer System or Computer Network;
 - 2.2. the reduction in or loss of ability to use or operate any Computer System, Computer Network or Data;
 - 2.3. access to, processing, transmission, storage or use of any Data;
 - 2.4. inability to access, process, transmit, store or use any Data;
 - 2.5. any threat of or any hoax relating to 2.1 to 2.4 above;
 - 2.6. any error or omission or accident in respect of any Computer System, Computer Network or Data.
3. Computer System means any computer, hardware, software, application, process, code, programme, information technology, communications system or electronic device owned or operated by the Insured or any other party. This includes any similar system and any associated input, output or data storage device or system, networking equipment or back up facility.
4. Computer Network means a group of Computer Systems and other electronic devices or network facilities connected via a form of communications technology, including the internet, intranet and virtual private networks (VPN), allowing the networked computing devices to exchange Data.
5. Data means information used, accessed, processed, transmitted or stored by a Computer System.

Our Commitment to Good Service

We hope You will be completely happy with This Insurance but if something does go wrong, We would like to know about it. We will do Our best to resolve the issue and make sure it doesn't happen again.

If you need to make a claim

Complaints about the Sale or the Insurance Policy

If You have any concerns regarding the sale of the insurance policy or the insurance policy itself, then please contact Direct Gap on **01422 756 100** or by email to **customerservice@motorgap.co.uk**.

We will acknowledge Your complaint within 5 working days. We will advise You who is dealing with it and when We expect to respond. We aim to respond fully within 8 weeks. However if We are unable to provide a final response within this period We will write to You before this time and advise why We have not been able to offer a final response and how long We expect Our investigations to take.

If You remain unhappy with Our final response, or We have not managed to provide a final response within 8 weeks of Your complaint, You may be entitled to refer Your complaint to the Financial Ombudsman Service for help and advice.

- Phone: 0800 023 4567 or 0300 123 9123
- Website: www.financial-ombudsman.org.uk
- Email: complaint.info@financial-ombudsman.org.uk
- Post: The Financial Ombudsman Service, Exchange Tower, London, E14 9SR

The European Union offers an Online Dispute Resolution Platform which may assist some customers with a complaint. You can access this platform at www.ec.europa.eu/consumers/odr

Please make sure You always quote Your policy number from the Schedule.

This complaints procedure doesn't affect Your statutory rights.

How to Contact Us

General Enquiries

Post: Direct Gap, Hawkstone House, Valley Road, Hebden Bridge, HX7 7JB

Call: 01422 756 100

Email: customerservice@motorgap.co.uk

Need to make a claim?

We are sorry to hear you may need to make a claim.

Please refer to our "**How to Make a Claim**" section on **Page 5**.