

## The complaint

Mr and Mrs T complain that Hastings Insurance Services Limited misled them about what cover they had on their home insurance policy.

## What happened

Mr and Mrs T took out a home insurance policy through Hastings in October 2016. This provided cover for Mr T and Mrs T's buildings and contents, amongst other things. Mr and Mrs T had a ride-on lawn mower which fell within the scope of policy cover.

At renewal in 2017, the insurer of Mr and Mrs T's policy changed. The new insurer didn't cover ride-on mowers. But when Mr T called up Hastings to discuss his policy, he was told the mower *would* be covered. So Mr and Mrs T went ahead with renewing their policy. And they renewed again the following year, in October 2018.

In September 2019, just before renewal, Mr T called Hastings again to check if he needed to specify his mower on his policy. That's because the renewal information said items costing more than £1500 needed to be specified. The cost of replacing his mower would be more than this amount, so he wanted to check it would be covered.

Hastings' call handlers told Mr T different things about whether he'd need to specify the mower. Ultimately though, after checking with the insurer, Hastings told Mr and Mrs T that the policy didn't cover ride-on mowers. So Mr and Mrs T's mower hadn't been covered after the policy renewed in 2017.

Mr and Mrs T weren't happy with the misinformation they'd been given and complained. Hastings initially offered Mr and Mrs T £75 compensation to recognise its mistakes.

But Mr and Mrs T remained unhappy. They felt the home insurance policy had been mis-sold to them, because they'd specifically wanted cover for the ride-on mower. They asked for a refund of the policy premiums they'd paid for the policy since 2017, when the insurer changed.

Hastings increased its offer of compensation by a further £50. It said it'd discussed the situation with the insurer. Given Hastings had wrongly told Mr T the mower would be covered, it said the insurer would've covered any claims Mr and Mrs T might've needed to make for it. But it didn't agree to refund the premiums Mr and Mrs T had paid. So Mr and Mrs T asked us to look into their complaint.

Our investigator didn't think Mr and Mrs T's complaint should be upheld. While he acknowledged Hastings had given them misinformation about the policy, he didn't think they'd lost out as a result. He was satisfied the insurer would've covered any claims for the mower if they'd been made. He thought Mr and Mrs T had benefited from having buildings and contents cover between October 2017 and 2019. So he didn't think Hastings needed to

refund their premiums. He also thought the compensation Hastings had paid Mr and Mrs T was fair and reasonable.

Mr and Mrs T disagreed. They didn't think the compensation Hastings had paid them reflected the inconvenience of being given repeated misinformation over an extended period.

The complaint's been passed to me to decide.

### **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. Having done so, I don't think Mr and Mrs T's complaint should be upheld. I'll explain why.

It's clear that making sure the ride-on mower was covered by their insurance policy was important to Mr and Mrs T. I can understand why they were so unhappy when they found out it hadn't been covered for almost two years.

And it's clear that Hastings has given them incorrect, conflicting and misleading information about the cover for the ride-on mower. Hastings acknowledges it wrongly told Mr T back in 2017 that the mower would be covered. And in September 2019, Mr T was given conflicting information about whether he needed to specify the mower, before finally being told it wasn't insured.

So it's clear that Hastings has made mistakes. I understand Mr and Mrs T feel they should be refunded the premiums they paid for the 2017-18 and 2018-19 policy years.

But when I consider what Hastings needs to do to put things right, I need to consider what I think Mr and Mrs T were most likely to have done if they'd had the right information from the start. And I have to bear in mind what actually happened; whether there have been any financial losses because of the error; and the impact of the mistakes on Mr and Mrs T.

It's unfortunate that Mr and Mrs T were mis-informed about what their policy covered. I think if they'd been told the mower wasn't covered back in 2017, it's likely they wouldn't have taken up the policy with the new insurer. That's because they didn't renew the policy in October 2019 when they found out the mower wasn't covered. I think they'd have shopped around for the right policy for them. Alternatively, they might've chosen to still renew through Hastings, but take out a specialist policy for the mower.

But this would still have come at a price. And I haven't seen any evidence to show me that Mr and Mrs T would've been able to get like for like cover, which included the mower, at a cheaper price. I've also borne in mind that Mr and Mrs T have had the benefit of the rest of the buildings and contents cover, together with optional add-ons, during this period. While the mower wasn't covered, their property and contents was.

Happily, Mr and Mrs T didn't need to make a claim for the ride-on mower. Hastings says any claim would've been covered because of the misinformation its call handler had given back in 2017. This is generally what I'd expect Hastings to have done had Mr and Mrs T needed to make a claim. But I need to think about what *did* happen, not what might've happened. And in this case, because Mr and Mrs T didn't need to claim for the mower, they didn't lose out because it wasn't covered.

Taking these things into account, I don't think I can fairly direct Hastings to refund the premiums Mr and Mrs T paid. I'm satisfied they benefited from the policy as a whole and I don't think they've shown me they suffered any actual financial loss because the

misinformation they were given.

I understand Mr and Mrs T feel the compensation Hastings has paid them doesn't reflect the inconvenience they were put to. I've thought about this. But it seems to me that they didn't find out about the original mistake until September 2019. They'd had a response to their complaint within a few days. And while I don't doubt how frustrating it was to be given conflicting and wrong information, I think Hastings took prompt steps to put things right. So I think total compensation of £125 feels fair to recognise Mr and Mrs T's trouble and upset.

Overall, I think Hastings has handled Mr and Mrs T's concerns fairly. So I won't be telling it to pay them anything more.

### **My final decision**

For the reasons I've given above, my final decision is that I don't uphold Mr and Mrs T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T and Mr T to accept or reject my decision before 16July2020.

Lisa Barham  
**Ombudsman**