

The complaint

Mr R complains that Hastings Insurance Services Limited (Hastings) sold him a policy which it cancelled when he told it about a change.

What happened

Mr R bought his buildings insurance online using a comparison site. He chose a policy arranged by the broker, Hastings.

Mr R correctly answered “no” to the question asking whether building work was taking place. He was expecting building work in the future, so he made a note to contact Hastings nearer the time.

Around eight months later, when he told Hastings the work was due to start, it said the underwriter would no longer provide cover because the scope of work exceeded its criteria. Hastings cancelled the policy without charge.

Mr R was unhappy that it hadn’t been made clear when he bought the policy that the building work would result in cancellation. He assumed it would simply be an increased premium.

Hastings explained that it didn’t list all eventualities on the website because of the extent of information an underwriter considered when deciding what risks it would cover. But Hastings reassured Mr R that it wasn’t the type of cancellation that he’d need to declare on future policies. Mr R remained unhappy that he was left needing to find cover at short notice.

Our investigator didn’t uphold the complaint. He thought that Hastings had asked the appropriate questions when Mr R bought the policy, and supplementary information was available to him for clarity.

Mr R didn’t agree. He said he correctly answered the questions on the website and made a note to contact Hastings when he started building work. At no point was he made aware that the policy could be cancelled. Mr R didn’t think it was reasonable to expect the average consumer to make enquiries about future building work when taking out the policy, and he thought there was a lack of consumer protection in terms of the underwriting criteria.

The complaint was 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.

While I realise Mr R will be disappointed, I’ve decided not to uphold his complaint. I’ll explain why.

The issue here is that Mr R thinks Hastings failed to ask clear and specific questions on its own website after his policy purchase transferred through to it from the comparison site

during the sales process. Because of that, he bought the policy believing he could advise of work he knew was going to be done at a later date, but it was cancelled during the policy term because that work wouldn't be covered. Therefore, he could've avoided the problem if Hastings had made the underwriting criteria clear from the outset.

There's no dispute that Mr R correctly answered the question about *current* building work during the sales process. So I've thought about whether the question was clear and specific such that Mr R could make an informed decision knowing he was going to undertake work during the policy term.

The questions posed on a comparison site help to narrow down the list of companies which might provide cover. Mr R knew he would be having building work done, but that's not the question he was asked. But I think the fact that building work was asked about should've been enough to prompt him to think that it was something that mattered. Indeed, Mr R said it made him think he must let Hastings know nearer the time.

It's from here that there's disagreement about the process. The comparison site narrowed down the choice of insurers which would offer cover if there wasn't any ongoing building work. But Mr R thinks Hastings should've helped narrow down the options further by asking whether there was any *planned* building work. I understand what he's saying but I don't agree. That's because if Hastings asked about planned building work, and the answer was yes, then there would be too many "if this, then that" type scenarios. That's more or less what Hastings explained to him when it said that it's not possible to list every scenario or publish underwriter criteria.

I would only expect Hastings to bring to Mr R's attention any particularly unusual points when he was looking to purchase the policy. Restricting or deciding not to cover a building where there is extensive building work ongoing is not unusual. As it wasn't aware of the planned building work, there's little Hastings could've done in the circumstances.

Even so, I've thought about whether Hastings did anything at all to bring this to Mr R's attention and I think it did. In the policy documents, there's a relatively large green box in which it says:

"Important

You must tell us if you intend to carry out any building work or changes to your home, for example, an extension, loft or garage conversion or any structural alteration, before any work begins."

I've also seen that Hastings asks about changes in circumstances:

"Changes in your circumstances

The terms of your policy and premium are based on the information you've given us. If any of it changes you should tell us by calling our customer service team...

Any changes to your policy are subject to your insurer's agreement and may not be acceptable. If a change to your policy is acceptable it may result in revised terms and/or a change in the premium.

Changes we need to know about include, but are not limited to:

- Your home is undergoing structural alteration, structural repair, restoration or renovation*
- Any of the information provided and recorded in your statement of insurance has changed."*

At this point cover hadn't started, and Mr R could've contacted Hastings to ask more about the statement. After all, he was aware of the planned building work and the extent to which

his home would be altered. I don't think it's unreasonable that an insurer would want to reassess its risk.

I know Mr R is unhappy that Hastings withdrew cover, leaving him to find an alternative policy during a busy festive period. But I don't think Hastings acted unfairly. It left cover in place up to the date the building work was due to start, which gave Mr R more than three weeks to find suitable alternative cover. I can see that Hastings didn't charge a cancellation fee. Before cancellation, the cover was available to Mr R so Hastings hadn't provided him with insurance which he couldn't claim under. The only inconvenience I've identified is that he needed to take out new cover three months earlier than he would've done if the policy had run to the end of its term. I don't think Hastings actions have caused Mr R any loss, so I don't think there's anything it needs to resolve here.

My final point is Mr R's concern about having to declare to other insurers that he has had a policy cancelled. Hastings has reassured him that this type of cancellation isn't one which is reported or needed by other insurers. He hadn't breached the terms of the contract – such as giving incorrect information or failing to pay – so the cancellation is simply a change in circumstances which he rightly reported and for which Hastings couldn't provide cover. There should be no detriment to Mr R as a result of Hastings cancelling his policy.

In summary, Mr R gave correct answers to the specific questions asked when he bought the insurance policy through Hastings. While it didn't ask more probing questions about whether there was planned building work, I think Mr R had a greater responsibility because it was information he knew and could've checked proactively once he was directed to Hastings website. I don't think Hastings did anything wrong here.

My final decision

For the reasons given above, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 5 January 2021.

Debra Vaughan
Ombudsman