

The complaint

Mr D complains about the premium he was quoted for car insurance through Hastings Insurances Services Limited, trading as Hastings Direct (Hastings).

What happened

In March 2019, Mr D took out car insurance through Hastings, who were the broker for the policy. Mr D had requested that the policy didn't automatically renew itself.

So, in February 2020, Hastings sent Mr D a renewal quote to continue with his current policy. The letter said that Mr D would need to get in touch with Hastings by 22 March 2020 if he wanted to accept the quote.

Mr D says that he forgot about the letter and so didn't get back in touch with Hastings to accept the offer. But it was only later he realised that he wasn't insured to drive his car – and he did in fact want to continue with his policy.

When Mr D let Hastings know that he wanted to accept the renewal offer, the offer had expired, and Hastings said it would no longer be able to honour the offer. As such, the policy Mr D had through Hastings had now ended. Mr D was provided with some new quotes through Hastings, but these were much more expensive than what he was offered at renewal.

Mr D wants Hastings to provide him with a car insurance policy with a similar premium to what he was offered at renewal. Mr D has tried to negotiate with Hastings and has told it he would pay £400 for the policy.

Hastings has responded to Mr D to say that it doesn't determine how much the policies cost – and that it gets its quotes directly from the underwriter and it is the underwriter that decides on the premium. Because of this, it can't offer Mr D a car insurance policy at the price he wants. But Mr D wasn't happy with Hastings response and so he has brought his complaint to this service.

Our investigator also looked into things for Mr D. He found that because Mr D didn't reply to the renewal quote, and that his policy hadn't renewed, Hastings hadn't done anything wrong. He didn't think that Hastings were responsible for pricing the policy – as this was the role of the underwriter, and so he didn't think Hastings had acted unfairly by not being able to offer him a cheaper quote.

Mr D responded to say he disagreed. He still feels that it was unfair of Hastings to provide him with a renewal quote in March 2020 – and then offer him a quote four times more expensive later in the same year. He doesn't feel that Hastings have been fair in not trying to arrange a better quote with the underwriter.

Because Mr D didn't agree, the complaint has been passed to me to make a decision on the matter.

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.

Firstly, I'd like to express my empathy for Mr D's situation. It's clear that the consequences of him being uninsured and no longer able to use his car is causing upset, which is completely understandable. In reaching my conclusion, I don't wish in any way to downplay or disregard the situation Mr D has found himself in. But being independent means, I have to take a step back and consider what both parties have said, and what Hastings are responsible for in its role as the broker of the policy. And I have to look to see if Hastings has acted fairly and reasonably when dealing with Mr D – and I think it has.

I appreciate Mr D has spent a long time trying to resolve this issue with Hastings, and it is clear how strongly he feels about his complaint. I'd like to reassure Mr D that I have read and considered everything he has sent to us, so while I may not have commented on everything he has said, I have taken this into account.

I've seen a copy of the renewal letter Hastings sent Mr D on 23 February 2020. It tells Mr D the cost of the premium if he wanted to renew his policy, and it then goes on to say *"You've previously told us you don't want your policy automatically renewed. This means if we don't hear from you, your insurance will end on 22nd March 2020."*

I understand Mr D had some personal issues that were taking priority at that time, and so he forgot to respond to the quote by the date specified in the letter. And it was only later when he was contacted by the Motor Insurance Database (MID) that he realised he didn't have cover. Mr D accepts that this was an oversight on his part. But because Hastings provided Mr D with a reasonable amount of time to accept the quote if he'd have wanted to, I can't fairly say that it did anything wrong by allowing the policy to expire and not being able to offer him the quoted renewal price for a new policy.

I can understand how frustrating it must have been for Mr D when he later found that a new policy taken out through Hastings would cost him around four times more than he was quoted at renewal. I know Mr D has been told this previously, but I must stress that the cost of a policy isn't normally determined by the broker. In this case, Hastings has said that it gets the cost of premium directly from the underwriter, and they communicate this to the customer. So, I don't think it would be fair for me to hold Hastings responsible for the increase in premium that was being offered to Mr D.

I know Mr D thinks that Hastings are responsible for not being able to get him a cheaper quote, but I don't agree with this. The cost of a policy is determined by many factors which are set by the underwriter – the premium cost can change on a daily basis. It isn't up to Hastings to set this price – after all, it isn't Hastings who are insuring the risk. Hastings can only pass on the premium quote that it has received from the underwriter. And I think it has done this.

I appreciate this decision will come as a disappointment to Mr D, but based on everything I've seen, I can't fairly say that Hastings have done anything wrong in not being able to offer Mr D a better quote for car insurance cover. Mr D is of course free to go to a different provider should he be able to find something more competitive.

My final decision

For the reasons set out above, I don't uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 9 June 2021.

Sophie Wilkinson
Ombudsman