

The complaint

Mr B complains that Hastings Insurance Services Limited, trading as Hastings Direct (Hastings) charged him a £35 administration fee for cancelling his policy after he moved to a new house.

What happened

In June 2021 Mr B cancelled his house insurance policy with Hastings after he moved to a new house.

Hastings don't offer the facility to cancel policies online, so Mr B had to ring up to cancel his policy and was charged a £35.00 administration fee for the cancellation.

Mr B was unhappy about as he thought that if he had been able to cancel it online, there would be no fee, as he had cancelled policies with other insurers online and paid no fee. Mr B asked to speak to a manager, but he was told there was no manager available. The manager did call him back later that day.

Following his complaint, Hastings sent a final response on 15 June 2021, which said that they were upfront about their charges, publishing them both on the website and in the policy booklet, and they were unable to waive the charge.

They also said that they were satisfied that a manager called Mr B back as soon as they became available which was the same day.

On 3 July 2021 Mr B received a debt recovery letter about the fee and he was unhappy with this as he understood that whilst he was complaining, there would be no recovery. Mr B brought his complaint to us.

One of our investigators has looked into Mr B's complaint, but he didn't think Hastings had done anything wrong.

Mr B disagreed with our investigator's view, and so the case has come to me to review.

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.

I am not upholding Mr B's complaint, and I will explain why.

Cancellation fee

Hastings are not the underwriters of the policy, but they arrange and administer the policy on behalf of the underwriters. They therefore charge fees for their services. These are detailed in their policy booklet at page 65.

It says:

"We charge for administering your insurance, as listed in this fees table."

"Further details about this are set out in the cancellation section of this policy wording. These premiums will be in addition to our fees, which are for our services only. Each fee is non-refundable and is payable at the time of the transaction to which it relates."

"Cancellation – for full details please refer to your right to cancel"

Cancellation after 14 days £35.00"

Under "Your right to cancel" at page 56, it says:

"If you cancel the policy at any other time (after 14 days) your insurer will refund the premium on pro rata basis for the period of insurance that hasn't been used, minus our non-refundable fees".

I think this makes the position very clear about there being a cancellation fee, and so I don't think this fee has been applied unfairly.

Mr B has said that this wouldn't have been applied if he had been able to cancel online. However, in their response to us, Hastings have confirmed that even if they offered online cancellation, a charge would still be incurred as the cancellation fee is for the maintenance of internal and external databases, and not for the manual processing of the cancellation. So, I am satisfied that Hastings have done nothing wrong here.

Availability of a manager

I can see that Mr B is unhappy that a manager was not available to speak to him when he wanted to escalate his complaint. He says that he was lied to about the availability of a manager. However, I have seen nothing in the evidence provided that suggests that this is the case, and I can also see that a manager did ring Mr B back three hours after his initial call, and I consider this was reasonable. I don't think that Mr B has lost out by there being a delay in speaking to a manager.

Debt collection

Hastings have passed the unpaid fee onto a debt collection agency and Mr B is unhappy with this as he thinks that the recovery process should have been suspended while he had an outstanding complaint, as this is what he was told. Hastings have told us that they did suspend recovery while there was an internal complaint, but their position is that once they have issued a final response, they can recommence recovery action. The final response was issued on 15 June 2021 and the debt collection letter was issued on 3 July 2021 which was after the final response. Although I can understand why this upset Mr B, I can't say that Hastings have done anything wrong here.

I appreciate that this outcome will be disappointing for Mr B, but I hope that my reasons give him a clear picture of why I am not upholding his complaint.

My final decision

My decision is that I do not uphold Mr B's complaint, and I will not be asking Hastings Insurance Services Limited, trading as Hastings Direct to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 January 2022.

Joanne Ward
Ombudsman