

The complaint

Mr M complains that Hastings Insurance Services Limited mishandled his motor insurance policy.

Where I refer to Hastings, I include employees and others insofar as I hold Hastings responsible for their acts or omissions.

What happened

Mr M had a small car. On 2 August 2020, he went online and bought a car insurance policy for the year from 29 August 2020. It was a Hastings SmartMiles telematics or “black box” policy. Hastings acted as an intermediary between Mr M and the insurance company.

Mr M had to pay for the installation of the black box in his car.

On about 21 May 2021, Mr M replaced his vehicle and tried to change the vehicle on the policy. Hastings said the policy couldn’t cover his new vehicle. Mr M cancelled the policy with effect from 26 May 2021.

In June 2021, Mr M complained to Hastings that – when he’d bought the policy – it hadn’t told him that the black box was not compatible with all models of vehicles.

By a final response dated 25 June 2021, Hastings upheld Mr M’s complaint in part. It apologised for not calling him back and offered £25.00.

Mr M brought his complaint to us in mid-August 2021.

Our investigator didn’t recommend that the complaint should be upheld. She thought that Hastings hadn’t done anything wrong.

Mr M disagreed with the investigator’s opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- Hastings didn’t make him aware of the limited compatibility of the box.
- He was under the impression that a new box could have been fitted to any new vehicle.
- The policy was mis-sold.
- He was forced to cancel the policy as the “black box” was not compatible with the new vehicle.

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.

From the policy documents, I see that Mr M was the policyholder and his teenage daughter was the main driver.

The telematic terms included the following:

“5. Changing your Car

If you change your Car during your Policy term, a SmartMiles Box must be installed in the new Car within 14 days of asking us to change your Policy. This may be a different date to when you start driving the new Car. If you don't have a Box installed within 14 days, we'll cancel the Policy. Please see the “Cancellations” section.

Professional installation

If your new Box needs to be fitted by one of our approved engineers we'll charge you a fee to cover the installation cost. Please see “Our fees”.

At the time of installation, you must provide the engineer with the V5C logbook for your new Car, please see “Documents we may ask for”. The engineer will take a photo of this document for us. If you don't provide your V5C logbook, installation may not take place and will need to be rescheduled.

5. When your Policy ends

If your Policy is cancelled or the insured Car is replaced, the SmartMiles Box will stay in the Car and we'll stop collecting data. Any data collected up to that point remains our property, subject to the requirements of the Data Protection Act (1998).

If you want the SmartMiles Box to be professionally removed please let us know and we'll arrange this for you. A fee will be charged to cover the de-installation cost. Please see “Our fees”.

You shouldn't attempt to remove the SmartMiles Box yourself as we won't be responsible for any damage caused to your Car by you or someone acting on your behalf trying to remove the Box.

If you sell your Car, make sure you contact us to deactivate the SmartMiles Box. You must also make the new owner aware that a Telematics device is fitted.”

I'm satisfied that it was clear in the documents Hastings made available to Mr M that he couldn't reasonably expect the black box to be moved to the new vehicle even if they were compatible. Mr M would've needed a new black box for his new car. For that reason, I don't find it fair and reasonable to direct Hastings to refund what he had paid for the black box.

I accept that – when he took out the policy - Hastings didn't tell Mr M that the black box wasn't compatible with all cars.

But the box was compatible with the small car that Mr M put on the policy. And I'm satisfied that he understood the general point that if he changed the car, the new car might not be acceptable to the insurer, so he would have to cancel the policy and get a new policy. In the event, Mr M used the policy for about nine months before he changed the car. For these reasons, I don't find that Hastings had mis-sold the policy.

If I had thought that Hastings had mis-sold the policy, then I would've directed Hastings to reimburse the amount of premium Mr M had paid. But that clearly wouldn't be fair and reasonable because Mr M's car had been covered and he'd had the benefit of that.

I can understand why Mr M cancelled the policy. But he hadn't completed the policy year. So I wouldn't expect Hastings or the insurer to record a year's no-claims discount.

Overall I don't find that Hastings treated Mr M unfairly and I don't find it fair and reasonable to direct Hastings to do any more in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Hastings Insurance Services Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 31 March 2022.

Christopher Gilbert

Ombudsman