

## **The complaint**

Mr A complains about how Hastings Insurance Services Limited handled the renewal of his motor insurance policy. He wants increased compensation for his trouble and upset.

## **What happened**

Mr A's policy with Hastings was due for automatic renewal but it wasn't able to offer him further cover. But, due to a system error, the letter to tell Mr A this wasn't sent. Mr A found out he was no longer covered when he called to ask for his policy documents. Mr A was unhappy that he had been driving whilst uninsured for ten days. Hastings offered him £100 compensation for the error. But Mr A was unhappy with this.

Our Investigator recommended that the complaint should be upheld in part. He thought Hastings hadn't given Mr A time to shop around for alternative cover. And so he thought that Mr A had had to pay for more expensive cover to start immediately. And he thought Hastings should reimburse Mr A for this increase, £97.38, and give him a letter explaining why there was a gap in his cover. But he thought Hastings' compensation for Mr A's trouble and upset was fair and reasonable. And he didn't think it needed to pay Mr A the cost of a day's lost work.

Hastings agreed to pay Mr A the premium increase less £25 for an additional product included. But Mr A replied that he disagreed with the Investigator's view. He thought Hastings should compensate him with £140 for taking a day off work, and £250 for the trouble and upset caused him.

## **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.

Mr A had been with Hastings for five years and his policy was automatically renewed. But in 2021, Hastings wasn't able to offer cover for Mr A as none of its panel of insurers were able to provide a price for the same terms as the previous year. I can't say that this was Hastings' fault as it's for the insurers to decide what risks they want to cover. Hastings said it should have given Mr A 28 days' notice of this so that he could find alternative cover elsewhere. But it didn't. And Mr A said he was driving his family around for 10 days whilst uninsured.

I can understand that Mr A felt shocked when he found this out. And I can also understand that he would be worried about what would have happened if anything untoward had happened in this period. Mr A wanted Hastings to ensure this didn't happen to other customers. But it's not my role to punish Hastings for its errors, but to consider if it has responded fairly and reasonably to Mr A's complaint.

When a business makes a mistake, as Hastings accepts it has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the error had on the consumer.

Mr A wanted Hastings to refund his entire year's premium. But I don't think that would be fair or reasonable as Mr A would have had to pay for his year's cover without the mistake. Mr A had to find alternative cover elsewhere immediately. And so he didn't have the opportunity to

shop around and also he may have paid a more expensive premium as he wanted immediate cover.

Our Investigator calculated, comparing the previous year's premium and what Mr A paid for his new cover, that Mr A was out of pocket by £97.38. But this included £25 for a product that Mr A hadn't taken out previously with Hastings. So to restore Mr A's position, I think Hastings should reimburse Mr A with £72.38 for the increased premium he incurred.

Mr A said he'd had to take a day off work to look for new cover. He thought Hastings should pay him £140 compensation for this. But I think, without Hastings' error, Mr A would have had to spend time looking for alternative cover. So I can't reasonably hold Hastings responsible for the time he had to spend doing this.

Hastings offered Mr A £100 compensation for his trouble and upset. But Mr A thought this should be increased to £250. He said he thought he wouldn't have been covered if there had been an accident. He thought he may have been stopped by the police.

But fortunately nothing untoward happened in the ten days that Mr A was driving without cover in place. I can see, from Mr A's account, that Hastings explained that if anything untoward had happened it would have indemnified him. And I can only look at actual events, not potential ones. So, although I can understand Mr A's worry, I can't reasonably require Hastings to compensate him for this to the level he desires.

The impact of the error on Mr A was that he was caused shock and upset when he found out that he was uninsured. He then found new cover elsewhere immediately. I think Hastings' offer of £100 compensation for this is fair and reasonable as it's in keeping with our published guidance. I don't require it to increase this.

Mr A said he was worried about how he would explain the ten day gap in his insurance history to other insurers. Our Investigator recommended that Hastings should provide him with a letter explaining that this was due to its error. I think that is a fair and reasonable way of allaying Mr A's concern.

### **Putting things right**

I require Hastings Insurance Services Limited to do the following, as it's already agreed to do:

1. Pay Mr A £100 compensation for the distress and inconvenience caused by its level of service.
2. Pay Mr A £72.38 to compensate him for the increase in premium he had to pay to find alternative cover immediately.
3. Provide Mr A with a letter he can show other insurers that explains the ten day gap in his insurance history.

### **My final decision**

For the reasons given above, my final decision is that I uphold this complaint in part. I require Hastings Insurance Services Limited to carry out the redress set out above, as it's already agreed to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 30 March 2022.

Phillip Berechree

**Ombudsman**