

The complaint

Mr D complains that Hastings Insurance Services Limited didn't refer his contents insurance claim for theft to the underwriter and that it later directed his claim to a third-party claims service.

What happened

Mr D took out contents insurance cover in October 2019 that was arranged and administered by Hastings, acting as a broker. He purchased the policy on a price comparison website. The policy, though arranged by Hastings, was underwritten by the insurer "L". L outsources its claims service to a third-party provider, "G".

In early 2021, Mr D's bike was stolen and he made a claim under his contents policy. Mr D was unhappy with the handling of his claim and complained to Hastings. Around the same time G told Mr D that it was instructed to cash settle his claim up to the policy limit.

In early April 2021, in response to Mr D's complaint, Hastings told Mr D that it was standard practice for policy holders to be directed to third-party service providers when they made a claim. It said that because it was a broker and administrator it couldn't handle claims – that fell to L who had, in turn, outsourced it to G. Hastings told Mr D that this was an arrangement set up by L over which it had no influence or control. It said the information he'd been given about contacting L directly had been correct – namely that there was no customer facing part of its organisation (that it dealt with brokers and third-party service providers only, not policyholders directly). Hastings said it'd asked G to respond to Mr D about his complaint but had yet to receive an update about how that was going.

Mr D then referred his complaint to this service. Our investigator contacted Hastings and it told us that it was the broker and administrator and that any queries pertaining to cover should be directed to L or G. It said that when making a claim, Mr D would need to call the number provided in the policy documentation which would connect him directly to G which managed claims on behalf of L. So, Hastings said, it had handed Mr D's complaint to L in March 2021. Hastings said it had no influence over the way the claim was handled.

Our investigator told Mr D what Hastings had said. Mr D said that Hastings was directing customers to G disguised as L. He said G had 'intercepted' the claim and it was a scam and it had asked him to pay an excess upfront. Mr D said he no written documentation relating to any third-party involvement in his confidential claim. He said Hastings's documentation portrayed claims as being handled by L, not any third-party. Mr D also said he wanted Hastings to provide direct details to L.

Our investigator told Hastings that Mr D was unhappy that it'd passed his claim details to G without his written authority and asked it to investigate his complaint.

Hastings said to our investigator that Mr D's initial complaint had been about claim issues and he'd not mentioned that he thought that there had been service failings on its part. It said that's why it'd forwarded his complaint to L in the first instance. Now it understood what

Mr D was complaining about it would investigate and issue a final response letter. Our investigator asked Mr D to email Hastings directly explaining his complaint. Mr D asked our investigator if he'd notified the industry regulator, the Financial Conduct Authority (FCA) about his complaint. He also said that Hastings was the data controller of his personal information and was directly accountable to him for it and that he had been in contact with the Information Commissioner's Office (ICO). He asked our investigator what information he could obtain from private and public bodies.

Our investigator explained to Mr D about GDPR (General Data Protection Regulations) which allowed individuals the right to find out what information organisations held about them. He explained that Mr D would need to make a SAR (subject access request) to obtain such information. Our investigator also explained that a Freedom of Information Act 2000 (FOIA) request gave the public the right to information held by public bodies. Mr D made a FOIA request to Hastings.

Hastings wrote to Mr D in mid-October 2021 to explain that it wasn't a public body and therefore, not subject to the provisions of FOIA. Hastings also issued its final response letter and said that it was the administrator of the policy and not involved in claims handling at all. It said all claims would be handled by the insurer, L, who then passed them on to G. Hastings said it was sorry Mr D was unhappy with the handling of his claim but it had followed the correct process. It recommended that he contact G for any updates or concerns he retained.

Mr D told our investigator that he wanted us to review his complaint. He said that Hastings had clearly stated it was an administrator only and had failed to admit that its 'delivery system' had allowed his confidential claim to be intercepted. Mr D said this was a data breach on the part of Hastings because his policy schedule stated claims would be received by L, not any third-party. He said the policy schedule included a phone number for L when making a claim. Mr D also complained that Hastings had facilitated the removal of his cover by L at renewal.

Our investigator looked into Mr D's complaint but didn't recommend that it was upheld. She thought Hastings wasn't responsible for any difficulties Mr D had experienced with his claim and she thought that it was L, not Hastings, that had passed Mr D's information on to G so that his claim could be dealt with.

Mr D disagreed with our investigator. He said she had failed to investigate when Hastings had changed the recorded information on its phone lines in relations to claims. Mr D also said that he thought the fact he'd made a complaint had influenced the decision not to offer a renewal of his policy.

The complaint was passed to me for a decision.

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.

With regret for the disappointment this will cause Mr D, I can't reasonably uphold his complaint. I'll explain why.

Hastings is a broker. It is responsible for selling, arranging and administering insurance policies for consumers. It offers policies from a number of insurers. Mr D took his policy out in October 2019 and I can see from the policy schedule that it makes clear the insurer is L and that when making a claim it is L's number that's provided as the point of contact. The

schedule says: *'How to make a claim...You can report an incident, register a claim...24 hours a day. Just call your **insurer** on [telephone number]'* [my emphasis].

And the policy booklet states too that any claims need to be made by phone to the *insurer*. It goes on to state that the insurer's phone number is in the welcome pack and on the policy schedule. The booklet also states that by taking out the policy, Mr D is entering into 2 contracts – one with the insurer named on the schedule (L) and one with Hastings acting as agent on his behalf to arrange and administer the policy. The word '*insurer*' is specifically defined in the policy booklet as meaning the '*insurer stated in [the] schedule*'. In Mr D's case, that's L. So, I think it is clear from the policy documentation that Hastings isn't the insurer and that it's the insurer that handles any claims.

I've seen no evidence that would allow me to reasonably conclude that Hastings failed to follow the correct process in relation to Mr D's claim. I've set out above how Hastings made it clear that it was L to which claims would be directed. That L then outsourced its claims handling to a third-party – G – is not in any way due to any action taken by Hastings. In any event, I understand that Mr D has raised a separate complaint about L with this service. And I can't look at any complaint Mr D has about the actions of L within the context of this, his complaint against Hastings.

I appreciate Mr D has said that he thinks Hastings has allowed his confidential claim information to be 'intercepted'. I'm unable to agree. The policy documentation provided when the policy first inceptioned, and at the 2020 renewal, made it clear that it was L, and not Hastings, that handled any claims made. If Mr D was unhappy with this arrangement then he need not have proceeded with the policy as offered or he could've exercised his right, under the 14-day cancellation period, to cancel the policy.

Hastings has also explained that its privacy notice is also available online for customers and that it explains how it processes and shares personal data. Hastings has specifically pointed to section 3.1.3 where it states that it will be shared with insurers. A complaint about the processing and sharing of data however, isn't something I'm able to look at here as it would be more properly directed at the ICO.

Whilst I note Mr D's comment about Hastings changing the messaging on its phone recordings I can't see that he's raised this issue at any point with Hastings. Hastings must first be given the opportunity to investigate any complaint made against it. So Mr D must raise this issue with Hastings first, should he so wish, and only after Hastings has had the opportunity to investigate it could he then bring a further complaint to this service.

The decision not to offer renewal terms to Mr D rests with the insurer so any complaint that he has about this should be directed at L. At this time I've seen no evidence that Hastings influenced that decision on account of Mr D having made a complaint about it to this service. It follows that this is a complaint that I'm unable to fairly or reasonably uphold.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 1 April 2022.

Claire Woollerson
Ombudsman