

The complaint

Mr M complained that Hastings Insurance Services Limited (“Hastings”) provided him with an incorrect No Claims Bonus (NCB) statement.

What happened

Mr M had a car insurance policy with Hastings. A named driver on his policy was involved in a road traffic collision (RTC) in September 2020. Mr M notified Hastings of the RTC but didn’t submit a claim as there was no damage to either car involved, and no one was injured.

Mr M complained to Hastings in July 2021 about how it recorded the RTC, including the entry on the Claims and Underwriting Exchange (CUE) database. He was unhappy with its response and so brought the complaint to this Service in early August 2021. That complaint was investigated separately, was not upheld and was closed.

Looking at the current complaint, Hastings sent Mr M proof of his two years NCB on 9 August 2021. This statement listed two “fault” incidents – in December 2018 and September 2020.

Hastings wrote to Mr M again on 18 August 2021 and confirmed he was no longer insured by it. This letter also stated he had two years NCB.

Hastings then wrote to Mr M in February 2022, said he had two years NCB and confirmed it received a notification only following the September 2020 RTC.

At around this time Mr M also made a second complaint to Hastings about the wording of the NCB statement it sent on 9 August 2021.

Hastings responded in March 2022. It reviewed the wording on the document sent to Mr M on 9 August 2021 and said that although the document indicated his NCB wasn’t affected by either claim, it understood why he might not have been completely satisfied with the wording. It offered £30 compensation by way of an apology.

Mr M remained unhappy and so complained to this Service. He said he put off getting further car insurance once his ran out in mid- August 2021 as he thought the incorrect information about having two fault incidents in the NCB statement would adversely affect any quotes. Mr M said he wasn’t able to use his car and had to travel to work in a different way. He said his car developed mechanical faults as a result of not being used and he wanted Hastings to cover the cost of repairs.

When our Investigator contacted Hastings, it said the error it made was sending a document containing some conflicting information about the RTC. However, it said the CUE database was accurate and if Mr M had applied for a policy elsewhere CUE would have correctly shown the claim as notification only. So there would have been no impact on his ability to purchase car insurance. Hastings also said Mr M could have used the NCB letter it sent on 18 August 2021, which didn’t mention the September 2020 RTC, to apply for a car insurance policy.

Our Investigator upheld Mr M's complaint. He said Mr M was under the impression for many months that he would need to disclose the NCB statement dated 9 August 2021 to any potential insurer. However, our Investigator said it was Mr M's decision not to obtain car insurance. Our Investigator suggested Hastings pay £150 compensation for the distress and inconvenience caused by its error.

Hastings agreed to increase the compensation to £50, but said the NCB was correct at the point in time Mr M would have reviewed his policy, as were the details on CUE. So it didn't think further compensation was warranted. Mr M also didn't agree with the outcome.

As neither party agreed with what our Investigator said, this came 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.

I first of all want to be clear about what I am addressing in this decision. I am looking only at whether Hastings provided incorrect information in the NCB statement dated 9 August 2021. Mr M's complaint about how Hastings recorded the RTC internally, on the CUE database and in correspondence sent to him prior to 9 August 2021 has been dealt with separately.

The issue here is that Mr M said Hastings sent him an NCB statement dated 9 August 2021 that correctly listed his NCB as two years, but incorrectly listed the September 2020 RTC as a "fault" claim. Having seen the statement, I think an error was made here by Hastings.

Hastings agrees that the wording on the statement could have been clearer and originally offered £30, increased to £50 following our Investigator's assessment, by way of an apology.

For his part, Mr M says he was discouraged from buying car insurance from mid-August 2021 onwards because of the inaccuracy in the statement. He wanted the error put right before making an application to a new insurer, to avoid any confusion arising with a new policy that would need to be sorted out at a later date. In addition to any payment made to compensate for the distress and inconvenience of not being able to use his car, Mr M wants Hastings to compensate him for mechanical faults in his car that he says have arisen because it wasn't used for many months.

The statement sent to Mr M on 9 August 2021 was sent alongside a final response in relation to his other complaint against Hastings. The final response told Mr M that Hastings had corrected the error it made in relation to how it recorded the RTC. So I can see how Mr M would have found the NCB statement confusing, as it contained contradictory information to the final response it was attached to. I can see how this would have undermined Mr M's confidence that Hastings had actually corrected its error and accurately recorded the RTC.

I think it's fair to say that it wasn't until Hastings issued the letter in early February 2022 that Mr M had confirmation in writing that the matter was resolved. I can see that he received a letter on 18 August 2021 that listed the correct NCB and Hastings said this could have been used by him to obtain insurance. But this letter didn't do anything to clear up the confusion created by the 9 August letter about how the RTC had been recorded. And while Hastings knew at that stage that the CUE database had been amended and was accurate, Mr M didn't, given the conflicting information in the final response and the NCB statement. So I can see how he might well have been confused even after receiving the second letter on 18 August 2021.

I think it's clear Mr M experienced both distress and inconvenience until he received the letter in mid-February 2022. So I think it's fair to ask Hastings to compensate him for that.

However, I don't think it would be fair to ask Hastings to compensate Mr M for anything that happened as a result of him not insuring his car from the time his policy expired in mid-August 2021 to the time he later insured it. I say this because I can't fairly hold it responsible for Mr M's decision not to insure his car. While I appreciate what Mr M has said about the reason he didn't insure the car, I have to consider that Hastings' error didn't prevent him from insuring and driving his car. The option of insuring his car remained, irrespective of the error made by Hastings.

But, as I said, I do think Mr M experienced distress – the conflicting information clearly caused confusion – and he had the inconvenience of having to contact Hastings to try to resolve this matter. I'm satisfied that the length of time it took for Hastings to amend the NCB statement meant the distress lasted for several months. So I think the amount of £150 in total, suggested by our Investigator, is fair.

My final decision

It's my final decision that I uphold this complaint and require Hastings Insurance Services Limited to pay Mr M a total of £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 23 September 2022.

Martina Ryan
Ombudsman