

The complaint

Mr and Mrs B complain that their home insurance policy was voided because of undisclosed claims.

Mr and Mrs B bought home insurance through the administrator, Hastings Insurance Services Limited (Hastings). The policy was underwritten by two separate companies. Although the policy was in both Mr and Mrs B's names, for ease I'll refer only to Mrs B throughout.

What happened

Mrs B got a quote for her home insurance online. After some problems completing the process, she called Hastings to finalise the purchase.

Towards the end of the policy term, Mrs B contacted Hastings about some damage. Because of the relatively minor nature of the damage, she decided not to go ahead with a claim. The contact prompted the insurer to review her claims history and it found evidence of previous claims which hadn't been disclosed at the point of sale. As a result, the insurer voided the policy and returned Mrs B's payment. All contact was made under Hastings' branding as the administrator of the policy.

Mrs B complained to Hastings. She said the online process hadn't been clear about how to record claims which she didn't go ahead with, or about damage caused by an insurer's contractors. Mrs B said she'd got quotes for policies both with and without declaring the previous history and found they were broadly similar. Mrs B said Hastings didn't tell her which quote it was looking at when she called to complete the purchase, so she assumed it would be aware of the incident details.

Hastings upheld Mrs B's complaint. It found that the call handler who completed the sale hadn't asked Mrs B if the online information was correct, nor had it advised her to check the information on the paperwork was correct. Hastings offered Mrs B compensation of £50 for its error.

However, after first checking with it, Hastings said the underwriter wouldn't change its decision to void the policy.

Mrs B brought her complaint to our service. She wanted the record of the voided policy removed from her records.

At first, our investigator thought a fair outcome would be for Hastings to remove the void status from Mrs B's record. Hastings didn't agree. It said the online application clearly asked Mrs B to declare previous incidents and, if she'd been uncertain, it's reasonable to think she'd have mentioned it when completing her purchase over the phone.

Our investigator agreed and thought Hastings had done enough with its offer of compensation for failing to remind Mrs B to read the documents and confirm the details were accurate.

Mrs B was unhappy with the change in outcome and asked for a further review.

I issued a provisional decision in June 2022 explaining that I was intending to not uphold Mrs B's complaint. Here's what I said:

provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've provisionally decided not to uphold Mrs B's complaint. While there's no change in outcome, and I realise she'll be disappointed, I think it's reasonable for both parties to have a final opportunity to comment. That's because I can't consider the insurer's actions in my decision about Hastings, and because I'll comment on information which I asked for after our investigator's review which influenced my decision.

As Mrs B pointed out, there's a lot of information in relation to her complaint. I won't comment on everything, and our rules don't require me to. Instead, I'll address the overall complaint and comment only on the information which helps explain the reasons for my decision.

Because it was the underwriter's decision to void the policy, and this complaint is about the administrator, I won't be making a decision about whether the underwriter fairly voided Mrs B's policy. I'll be looking at whether anything Hastings did when helping Mrs B through the final steps of the policy purchase may have contributed to the underwriter's decision to void the policy.

Hastings confirmed that it didn't go through two pieces of scripted information when Mrs B called to make payment for the online quote - whether the online information was correct, and to advise her to read the paperwork when she received it. Hastings accepted this shortfall and offered Mrs B £50 compensation by way of apology.

I've thought about whether Hastings' shortfall would likely have made a difference to Mrs B's responses and, ultimately, the insurer's decision to void the policy. I don't think it would. That's because she was already aware that she hadn't included the incident history in her online quote. Mrs B knew she had incidents to declare because:

- *she got quotes for a policy both with and without her incident/claims history;*
- *her last two schedules from the previous insurer show a reduction in no claims discount, suggesting she'd made claims, and*
- *she provided details of incidents reported to her insurer which didn't result in a pay-out.*

While Mrs B said the incidents didn't result in claims, Hastings' online process explained that incidents should be included even if they hadn't resulted in a claim or pay out. I also note that Mrs B said one of the incidents was compensation from the insurer for poor workmanship when investigating her claim. Mrs B had obtained quotes both with and without her incident history, so it wasn't a matter of her forgetting the incidents or overlooking the question. Mrs B also said she didn't know which quote Hastings was looking at, which suggests she didn't think the incident history mattered significantly. So, on balance, I think it's more likely than not that Mrs B wouldn't have provided any different information had Hastings asked the scripted questions.

Overall, the evidence suggests that Mrs B knew she hadn't provided full details on her policy application. While I accept that she thought the claims didn't matter because there was no pay out, and the quotes didn't show a significant price difference, I don't think Hastings' failure to prompt her to read the details and correct any inaccuracies would've made any difference. Therefore, I'm satisfied that Hastings didn't do anything which might've contributed to the insurer's decision to void the policy.

I said, for the reasons given above, my provisional decision is that I don't uphold the complaint.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Hastings didn't comment further.

Mrs B remained unhappy and directed me to three specific points. She said my provisional decision implied she lied and referenced my comments about whether:

1. she thought the incident history mattered;
2. she would've provided different information if asked scripted questions, and
3. whether she knew she hadn't provided full details.

I'll address these points and Mrs B's overall comments now.

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.

Firstly, I understand that Mrs B doesn't think I've considered her information and that I've relied only on Hastings' version of events. I'm sorry she feels that way. I've taken all the evidence into consideration, and I hope the fact that I requested additional information from Mrs B during my review goes some way to reassure her of that. While I understand she won't necessarily be happy that I've not reached a decision in her favour, that doesn't mean I haven't taken her view into account.

As I mentioned in my provisional decision, I won't comment on every piece of information. Mrs B and Hastings are aware of the details so, instead, I'll focus on the key points Mrs B raised in her response to my provisional decision.

When Mrs B bought the policy, she'd looked around and sought quotes based on her claims history as she understood it. Having seen that there was very little difference in price, she took out a policy via Hastings. I understand the price may have been a key factor for Mrs B, but it's important for an insurer to have full awareness of the risks offering cover will bring. The fact that Mrs B withdrew claims for various reasons, or which were the result of damage caused by other insurers, doesn't necessarily matter to Hastings. Hastings simply needed accurate information from Mrs B to present an accurate account of the risk to the underwriter.

I said that Mrs B confirmed she didn't know which quote Hastings was looking at when she spoke to it on completing the policy purchase. I don't doubt that. But I think it would've been fair for her to check given that she'd obtained quotes using different sets of information. Mrs B disagrees because her focus was on making payment and she says she'd gone to great lengths to provide details of the claim. I've seen that she did. But that was after she'd bought the policy and after the insurer voided her policy. Entering information into an online quote

system isn't the same as declaring all previous history if the policy Mrs B went on to buy was based on the quote which didn't include that history.

Hastings made a mistake by not asking two scripted questions, one of which was whether all information provided online was correct. Mrs B said she would've responded that, "all that information had already been discussed and should be noted".

I don't doubt this. But Mrs B was aware that she'd used different information to obtain quotes, Hastings wasn't. So, if she'd responded in that manner, it's unlikely Hastings would've asked Mrs B whether she'd obtained more than quote using different claims history. In essence, it would be unreasonable for me to say Hastings should've asked Mrs B about something it had no reason to be aware of. Therefore, Mrs B's confirmation of what her response would've been doesn't persuade me that Hastings did anything wrong.

Finally, Mrs B said she wouldn't have pursued a risky position of not having cover when she could get cover anyway for a similar price by declaring previous incidents. She also said she discussed the claims with Hastings. But this contradicts what she said about not knowing which quote Hastings was looking at, or what she would've said if Hastings had asked a direct, scripted question. Mrs B said she would've told Hastings the information had already been noted. While that may be the case, I can only consider what happened. The evidence indicates that Mrs B, unsure of the quote Hastings was looking at, bought the policy without checking that she'd properly declared previous incidents, whether or not they resulted in a settled claim.

Overall, I'm satisfied that Hastings addressed its shortfalls in respect of missed scripted questions, and the evidence suggests that it didn't cause Mrs B to provide inaccurate information which resulted in her policy avoidance. I'm not suggesting that Mrs B deliberately gave inaccurate information – simply that I can't see that Hastings did anything wrong that hasn't already been addressed by the compensation.

Therefore, my final decision is the same as my provisional decision and for the same reasons.

My final decision

For the reasons I've explained above, and in my provisional decision, I don't uphold Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 19 August 2022.

Debra Vaughan

Ombudsman