

The complaint

Mr B complains that the cost of changing the vehicle on his motor insurance policy was a lot more than Hastings Insurance Services Limited trading as Hastings Direct (Hastings) had previously suggested.

What happened

Mr B had motor insurance arranged via Hastings, a broker. He rang Hastings to ask what it would cost to change the vehicle on the policy. Hastings quoted a figure just less than £200. Mr B says he bought the vehicle based on this quote, but when he rang Hastings to actually make the change the new price was over £1300. Mr B didn't take out insurance for the new car with Hastings.

Mr B wasn't happy about this and complained to Hastings. Hastings said when Mr B called for the second time to take out the insurance, the existing underwriter declined to cover the vehicle as the change details didn't meet the terms the underwriter set. The new quote he was given was with a different underwriter. Hastings apologised that a little more information wasn't given to Mr B in the first call, and paid him £40 compensation.

Mr B wasn't happy with this response and complained to this service. Our investigator didn't uphold his complaint. He said as Hastings is a broker it can only provide the quotes that insurers are prepared to offer. He said Hastings was therefore not responsible for the insurer's decision to withdraw its offer.

Mr B wasn't happy with what the investigator said, so his complaint has been passed to me. Mr B wants more compensation from Hastings. He says he wouldn't have bought the car had he known how much the insurance premiums would be.

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 don't uphold Mr B's complaint. I'll explain why.

I've listened to the two phone calls Mr B had with Hastings about the vehicle change. In the first call Mr B asked for a quote for insurance for a car he was thinking of buying. He gave the call handler the details of the car and he was told it would cost an extra £192.99 to change the car on the policy.

The call handler told Mr B the quote was only available up to 23.59 that day. He made Mr B aware a quote on another day would be different.

A few days later, Mr B called Hastings again and said he'd like to set up the insurance he'd called about previously. The call handler told him that the quote had expired. The call handler said he could no longer offer a change of vehicle on Mr B's existing policy, only a new policy. He ran some new quotes with different start dates and the cheapest was

£1374.90 for a full year's cover.

Hastings is an insurance broker. It will take details from a potential customer about the vehicle to be insured, and obtain quotes from the various insurers it works with. Hastings doesn't set the price of the policy, and it has no control over insurers changing their terms or deciding to stop offering certain types of cover.

Mr B's policy booklet from Hastings said:

"A Policyholder of a Single Car policy enters into two separate contracts when taking out a Policy through us.

(i) The first contract is between the Policyholder and the Insurer:

- The Insurer's name is shown on the Policyholder's current Certificate of Motor Insurance...*
- The insurer is the company providing the Policyholder's motor insurance...*

(ii) The second contract is between the Policyholder and Hastings Insurance Service Ltd ("Hastings"):

- Hastings is an insurance broker and arranges and administers the Policyholder's single Car Policy on behalf of the Insurer."*

And:

"Your Insurer is named on your Certificate of Motor Insurance and they provide your insurance...We are permitted to set up your insurance contract on behalf of a panel of Insurers and we act on your behalf in arranging your contract of insurance for all policies."

And:

"Our services include arranging your insurance cover. We'll also help you make any changes you need, such as amendments to the cover, use and Car insured...If your original Insurer doesn't accept changes you've made to your Policy, where possible we'll arrange cover with an alternative Insurer from our panel...We give you enough information to make an informed decision about choosing your insurance Policy. We don't make recommendations or give advice..."

And:

"Changes to your Policy will be subject to your Insurer agreeing to them. Some amendments may not be acceptable, or may result in different terms, extra costs and/or fees. In some cases the additional cost could be significant."

So I think Hastings was clear with Mr B that it was a broker. I also think Hastings was clear with him when he first called to request a quote for changing the car that the quote was only valid for that day. I can also see from his correspondence with our investigator that Mr B was aware the quote might change when he actually came to take out the insurance.

It's also worth noting that the first quote Mr B was given was to change the car for the remaining period of the existing policy, approximately six months. The second quote was with a new insurer and was for a full year.

Hastings had no control over whether Mr B's existing insurer chose to offer him cover for his new car or not. Hastings also had no control over the quotes other insurers on its panel offered. I think Hastings was clear in its communications with Mr B. So I'm satisfied that Hastings acted fairly and reasonably in dealing with Mr B's query.

My final decision

For the reasons given above, I don't uphold Mr B's complaint. So I won't be asking Hastings Insurance Services Limited trading as Hastings Direct to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 October 2022.

Sarah Baalham
Ombudsman