

## **The complaint**

Mr H complains about the level of service received from Hastings Insurance Services Limited following a claim against his motor insurance policy.

## **What happened**

The background to the complaint is known to all parties so I won't repeat it here. In my decision I'll mainly focus on giving the reasons for reaching the outcome I have.

Mr H raised a claim after his car was damaged by an uninsured third-party in September 2021. The insurer dealt with the claim and settled it in October 2021. Mr H was also told he had 30 days to add a new car to the policy or it would be cancelled.

Mr H contacted Hastings by phone in November 2021 to obtain a quote for a new car. During the call, he was given incorrect information – he was told the policy would continue until its expiry date of June 2022 even if he didn't add a new car to the policy within the 30-day period. Mr H says he didn't go ahead and add a new car to the policy within 30 days based on this wrong information.

In November 2021, Mr H's policy was cancelled as there was no longer an insurable interest. The insurer retained the full premiums Mr H paid given a claim had been paid.

Mr H wasn't happy and complained. He says he would have purchased and added a new car to the policy within 30 days had he been given correct information during the November 2021 call with Hastings. He says as a result, he lost out on roughly eight months of insurance cover he'd already paid for and didn't have the funds to purchase a new policy, until June 2022. He also says being without a car until he could purchase one and new insurance until June 2022 caused him some inconvenience and disruption.

Hastings responded to the complaint in January 2022 upholding it. They apologised for the wrong information given during the call, and paid Mr H £130 in total for any distress and inconvenience caused. Mr H didn't think this was fair, so he approached our service.

Our investigator recommended the complaint be upheld. She thought the wrong information caused Mr H to experience distress and inconvenience, and the offer made by Hastings wasn't fair. So, she recommended they pay a further £300 compensation.

Hastings didn't agree and said they would increase their offer of compensation to £200 in total. This was put to Mr H who accepted this on the basis he thought the offer was for an additional £200 – on top of the £130 that had already been paid. That wasn't the case, so the case 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.

All parties accept Mr H wasn't given correct, clear information, so I don't need to make a

finding on that. What I must consider, however, is the impact this had on Mr H.

I listened to the call as my starting point. This followed an email sent to Mr H confirming he had 30 days to add a new vehicle to the policy or it would be cancelled. I'm satisfied Mr H received this and was aware of the 30-day period, because he refers to this during the November 2021 phone call.

The service provided to Mr H during this call, in my view, was poor. I don't think the agent seemed to grasp what Mr H was asking them to clarify, and I think this complaint could have easily been avoided had the agent handled things much better. This is a consideration I need to make a finding on in this complaint, because it's material to Mr H's overarching complaint.

The purpose of Mr H's call was to obtain quotes for cars he'd been looking to purchase. He said had the correct information been given, he could have purchased a car within the week and added it to the policy, meaning he would have benefitted from eight months (roughly) of insurance cover that was left to run – even though it sounds like he may have had to pay a higher premium because of the car he was looking to purchase to replace his previous one.

So, although Mr H ought reasonably to have been aware of the 30-day period and what would happen, I'm most persuaded he would have acted differently here had the November 2021 call been handled as it should have. I say this because he had the funds to purchase a car following receipt of the claim settlement in October 2021.

Mr H says he didn't purchase a car until June 2022 as, although he had the claim settlement available to purchase a car, he was unable to pay for a new policy where he would have had to pay the full year's premium – rather than an additional premium and stay on cover for another eight months.

I'm aware the insurer would have retained Mr H's full premiums for the year on cover given a claim was settled during it. But I think Mr H lost the opportunity to continue on cover for another eight months or so based on the handling and lack of clear information provided during the November 2021 call.

I've considered what Hastings offered following our investigator's view. All parties have now had the opportunity to provide their comments. Having considered this, I find £200 compensation – in addition to the £130 Hastings originally paid – to be fair, reasonable, and proportionate. I say this given the way things were handled during the call, the failure to correctly advise Mr H, and the overall impact this had on him.

Hastings say they've paid Mr H a further £70 since our investigator's view. So, I'll be requiring them to pay him an additional £130.

### **Putting things right**

Hastings Insurance Services Limited must now pay Mr H £130 compensation for any distress and inconvenience caused. This will bring the total amount of compensation paid to Mr H to £330 – which I'm satisfied is fair, reasonable, and proportionate in this case, for the reasons I've outlined above.

### **My final decision**

My final decision is I uphold it. I now require Hastings Insurance Services Limited to pay Mr H £130 for any distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 October 2022.

Liam Hickey  
**Ombudsman**