

## **The complaint**

Mr B complains that Hastings Insurance Services Limited mishandled his motor insurance policy.

Where I refer to Hastings, I refer to the above-named company and I include employees and others insofar as I hold Hastings responsible for their acts or omissions.

## **What happened**

Mr B has shown us a doctor's letter saying that he suffers with long-term and severe anxiety and depression.

Mr B used Hastings as an insurance intermediary to set up a motor policy with an insurance company.

From at least January 2019, Mr B had a policy through Hastings. In late January 2019, Mr B and a third party were involved in an accident.

On about 6 February 2019, the insurer paid Mr B about £1,700.00 in relation to his damaged vehicle. The insurer wished to recover that outlay from the third party.

From about 22 August 2019, Mr B had a policy through Hastings. He paid instalments by direct debit. These included two payments in early July and early August 2020 each of £29.12 (so those two payments totalled £58.24).

From about 22 August 2020, the policy renewed. Mr B paid instalments by direct debit. These included a payment of £34.02 in early September 2020 and ten instalments from early October 2020 to early June 2021 each of £34.08. Those 11 instalments totalled £374.82.

The total of £58.24 and £374.82 is £433.06.

From late July 2021, Mr B cancelled the direct debits to Hastings. He also initiated a direct debit indemnity claim via his bank. On 29 July 2021, Mr B's bank credited his account with a total of £433.06.

In early August 2021, Mr B made a complaint to Hastings (which I will call "the previous complaint") about delay with the claim against the third party and about unwanted renewal of the policy from 2020.

On 13 August 2021, Hastings wrote a final response to that complaint. It didn't uphold the complaint about the 2020 renewal. But it did uphold the complaint about delay, for which it said it was sending £200.00 compensation. Hastings also confirmed that the accident hadn't been Mr B's fault.

Notwithstanding that it hadn't upheld the complaint about the 2020 renewal, on 17 August 2021, Hastings credited Mr B's bank account with the 11 instalments that totalled £374.82.

On 18 August 2021, Hastings credited Mr B's bank account with £200.00 (the compensation).

On about 12 October 2021, Hastings wrote to Mr B in relation to the January 2019 claim, saying that it was refunding his excess.

Many months passed. Hastings wrote a letter to Mr B dated 13 April 2022. It said that there had been "an indemnity actioned" in relation to the 13 instalments which it listed. The letter didn't contain the total of the 13 instalments (£433.06)– but asked Mr B to pay an incorrect total of £491.30 (£58.24 more).

On 22 April 2022, Hastings sent Mr B a text asking him to pay £58.24.

Mr B complained to Hastings that (in addition to refunding £200.00 instead of £250.00 for his excess) it had asked him to pay various incorrect balances.

By a final response dated 6 May 2022, Hastings turned down that complaint. It said that the excess had been £245.00 which it had refunded in October 2021. Hastings said Mr B owed £433.06.

In late May 2022, Mr B brought to us his complaint about the claim for the balances ("the current complaint"). He asked that Hastings should stop contacting him.

Our investigator recommended that the current complaint should be upheld in part. He thought that Mr B needed to pay £433.06. But the investigator thought that Hastings should've told Mr B the correct balance before he needed to raise a complaint. The investigator recommended that Hastings should:

1. contact Mr B to discuss his payment options regarding the outstanding balance; and
2. provide him with compensation of £100.00 for the distress caused by unclear notifications of the balance.

Hastings disagreed with the investigator's opinion. It asked for an ombudsman to review the current complaint. It says, in summary, that:

- Mr B cancelled his policy to obtain a full refund.
- It made a typo error on one occasion when it told Mr B the incorrect amount of £491.30.
- £58.24 was correct. It was due from the previous policy term.
- £433.06 was also correct and inclusive of the £58.24.
- This wasn't an unexpected bill. Mr B cancelled the policy and received both a refund and a direct debit indemnity claim.
- Mr B's own actions caused his distress.
- It placed the account on hold on 25 April 2022 alleviating the distress to Mr B.

- £100.00 compensation is not fair or justified.

### **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.

Mr B has shown us no reason why he shouldn't have to pay the final two instalments for the policy that ended in August 2020, totalling £58.24.

Mr B had complained about the 2020 renewal. Notwithstanding its final response to that previous complaint, Hastings has told us that it cancelled the policy and backdated that cancellation. It refunded the 11 instalments totalling £374.82. When it did so, it didn't know Mr B had made an indemnity claim and already received a refund from his bank.

Months later, Hastings had to reimburse the bank. So I don't find that Hastings treated Mr B unfairly by asking him to repay the £58.24 or the £374.82, a total of £433.06.

Hastings' communication from 13 April onwards was unwelcome to Mr B. That included mention of debt collection. But I don't hold Hastings responsible for saying anything inappropriate about that.

However, I'm not satisfied that Hastings communicated with Mr B as clearly as it should've done. One notable example of this is the incorrect figure of £491.30 in its letter of 13 April 2022. Another example is that an undated text incorrectly thanked Mr B for renewal of his policy, before asking for £58.24 by early May 2022.

Another example is the final response in May 2022, Hastings included the following:

*"During this complaint on 12/08/2021, as you went to another insurer, you confirmed this was us and we backdated the cancellation to 22/08/2022, voiding the renewal. Due to this, we refunded a total of £382.02 for all the payments you made for the renewed policy. This consisted of 10 payments of £34.08 and 1 payment of £34.02, which you confirmed is what you had paid for your last policy with us '20-'21."*

The date of "22/08/2022" cannot be correct. And the amount of "£382.02" is neither the amount refunded nor the total of the 11 payments (£374.82).

I've considered the impact on Mr B of the shortcomings in the way Hastings communicated with him. I hold Hastings responsible for causing some of the disturbance and frustration he felt. I keep in mind that he was already suffering anxiety and depression.

### **Putting things right**

Overall, I conclude that it's fair and reasonable to direct Hastings to contact Mr B about his payment options and to pay him (or to credit against what he has to pay) £100.00 compensation for distress and inconvenience.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Hastings Insurance Services Limited to:

1. pay Mr B (or credit against what he has to pay) £100.00 compensation for distress and inconvenience; and

2. to contact Mr B about his payment options.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 December 2022.

Christopher Gilbert

**Ombudsman**