

The complaint

Mr G complains about the information given by Hastings Insurance Services Limited when he called to claim on his motor insurance policy.

What happened

Mr G's car was hit in the rear, so he called Hastings to report the accident. Hastings took down the details of the claim and said as the claim didn't appear to be Mr G's fault it referred him to its "non-fault service" to arrange for his car to be repaired. Mr G agreed to this, and his car was collected and repaired.

When the car was returned to Mr G, he said it hadn't been repaired properly and had other issues with his car. Mr G then complained to Hastings. He said the claim had taken too long, he'd been given incorrect information when he initially called to report the accident and that his car hadn't been repaired properly.

Hastings reviewed the complaint and partially upheld it. It said the information given in the call when Mr G reported the accident wasn't correct, specifically that the garage the "non-fault service" would use was manufacturer approved. However, Hastings also said it was doing more than it needed to in sorting issues with the repair as it hadn't been involved in repairing Mr G's car. Hastings offered Mr G £100 compensation for the incorrect information given. Mr G didn't think this as enough and referred his complaint here. He also said he was being charged for a hire car which he didn't think he should have to pay for.

Our investigator reviewed the complaint and recommended it be upheld. She found that Mr G had been referred to an "accident management company" (AMC) rather than claiming on his motor insurance policy. She also found that he hadn't been given clear fair and not misleading information about claiming on his policy or using the AMC which had caused him unnecessary distress and inconvenience. But she thought it was fair and reasonable for Hastings to say that Mr G would need to give the AMC the opportunity to rectify the issues with the repair first. Our investigator recommended Hastings pay Mr G £300 compensation for distress and inconvenience. Hastings agreed with our investigator's findings.

Mr G didn't think the compensation was enough and said there was still issues with his car.

I issued a provisional decision on this complaint on 3 May 2023 where I said:

"Before I address the merits of this complaint, I think it's first important to set out the different parties involved and Hastings' responsibilities, to make clear what I can and cannot look at in this decision.

I've listened to the call Mr G had when he called to report the accident and note that it's answered by Hastings who then refer him to an AMC to handle his claim. As the AMC was acting in its own right when repairing Mr G's car, I'm unable to look at the actions of the AMC in this decision. So, to be clear, I am only considering what happened during the call between Mr G and Hastings, when he was referred to the AMC for credit hire and repair and whether Hastings met the required standards when referring him.

As Mr G's insurance broker, Hastings was obliged to provide Mr G with information that was clear, fair and not misleading, in line with its obligations under Principle 7 of the FCA Handbook: Communications with clients (see PRIN 2.1R The Principles) and ICOBS 2.2.2R (Clear, fair and not misleading rule). In the circumstances of this case, this means that when Mr G contacted Hastings to tell it about his 'non-fault' claim for damage to his car, Hastings ought to have provided him with clear information about his options, so he could decide how best to proceed with getting his car repaired.

Hastings has agreed it could have handled the call better but has said it provided Mr G with his options clearly and informed him. I disagree, while Hastings has referred Mr G to its "non-fault service" it's not clearly explained what this means or how it differs from claiming on his motor insurance policy. I say this because Mr G asked for information about which garage would repair his car as it was under warranty and Hastings confirm it would be repaired using manufacturing approved parts. Hastings has said that if he'd wanted to use his own garage then he would need to pay double his normal excess. This is then corrected later in the call and says his policy doesn't have that term. It then goes on to say he wouldn't need to pay his excess but doesn't explain why. It's also not explained that using the "non-fault service" is separate to his motor insurance policy or what the pros and cons of this are or that he's stepping outside of his regulated insurance contract and the implications this has.

I'm not satisfied Hastings gave Mr G clear, fair and not misleading information during this call, so I've looked at the impact of this. When Hastings referred Mr G to the AMC Mr G explained he hadn't heard of the AMC he was being referred to doing car repairs and wanted to do his own research before agreeing. After he looked into the AMC, Mr G agreed to being referred there. Mr G has also told us that he needed a like for like car and that he even had to push this with the AMC. As Mr G has told us he needed a like for like car and looked into the AMC before agreeing to it, I believe it's most likely he would still have used the AMC if Hastings had given him sufficient information when referring him.

When Mr G had issues with the repair and the claim he's contacted Hastings about it, and while Hastings has tried to help in this situation, the poor referral has caused Mr G additional unnecessary distress and inconvenience. I say this as Mr G has been contacting Hastings rather than the AMC. Hastings has agreed to a total of £300 compensation for the distress and inconvenience caused during that call and also tried to help Mr G with his issues with the AMC when it doesn't need to do so, as he's not claimed on his insurance policy. I'm satisfied £300 is fair and reasonable amount for the unnecessary distress and inconvenience Hastings caused, so Hastings needs to pay Mr G £300 if not already done so.

I understand Mr G is also unhappy about how his claim has been handled and the repairs completed to his car by the AMC. As explained above, while I understand his frustration, as this is an issue with the AMC, he would therefore need to raise it with them."

Hastings responded and said it didn't have any further comment as it had already agreed to £300 compensation.

Mr G provided a detailed response and didn't agree with my provisional decision. In summary he said I'd based my decision on information given during a call with our investigator and didn't agree I'd looked at all of the evidence. He also said my decision missed his complaint point, specifically that he was "guaranteed" his car was going to a manufacturing approved garage. Mr G clarified that he wasn't unhappy with Hastings using an AMC, but that Hastings had mis sold him information. Mr G then went on to explain the issues with the repair to his car which he wasn't happy with.

I asked our investigator to clarify with Mr G that when deciding the amount of compensation Hastings should pay. That I had considered that Hastings had apologised for saying his car would go to a manufacturing approved garage. I also asked our investigator to clarify that I'd considered the information Hastings had given during that call as a whole rather than focusing on one specific statement. And, as Hastings had referred him outside of his motor insurance policy, I was unable to consider the actions of the AMC in this decision and could only consider Hastings's actions in relation to what it's regulated for and things ancillary to that. Mr G didn't reply to the further clarification.

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've considered Mr G's response and it's not persuaded me to depart from my provisional decision. I say this because I agree with Mr G that Hastings didn't give him clear, fair and not misleading information when it referred him to an AMC. Hastings has already apologised for saying his car would go to a manufacturer approved garage, and so I don't intend to make a further finding on that. I'm also satisfied there was more Hastings should have done during that call, but didn't, and this is reflected in the payment Hastings should make for the distress and inconvenience caused.

In regard to my assessment of Mr G's complaint, I would like to reassure him that I've considered all of the information provided. This includes phone conversations with this service and what he's said during to us, but my decision is not limited to that. And for the reasons explained above and in my provisional decision, I'm satisfied it's most likely Mr G would have still used the AMC. I'm therefore not persuaded to depart from the findings above and in my provisional decision.

My final decision

For the reasons explained above and in my provisional decision, my final decision is that I uphold this complaint. I require Hastings Insurance Services Limited to pay Mr G £300 compensation for distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 30 June 2023.

Alex Newman
Ombudsman