

The complaint

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

What happened

For the year from early August 2022, Mr H renewed a Hastings motor insurance policy. Hastings was an insurance intermediary and policy administrator.

Mr H agreed to pay an instalment of about £63.00 early each month by direct debit from a bank account.

On 8 November 2022, Mr H used a card ending 5944 to make a payment to Hastings.

In late December 2022, Hastings wrote to Mr H saying that it had cancelled the policy. It said he had paid £254.26 but owed a balance of about £138.00 which it would try to collect on 7 January 2023 from the card ending 5944.

In mid-January 2023, Hastings wrote to Mr H saying that he owed a balance of about £138.00 which it would try to collect on 23 January from the card ending 5944.

In early March 2023, Hastings wrote to Mr H saying that it would attempt to collect an outstanding balance of about £350.00 on 13 March 2023 from the card ending 5944.

Hastings' attempt that day was unsuccessful. Mr H complained to Hastings that it had tried to take payment on that card without his authority. A Hastings agent told Mr H that there was no payment authority for this card.

By a final response dated mid-March 2023, Hastings said its agent had incorrectly told Mr H that it had no payment authority for the card. Hastings said it was sending Mr H £40.00 in compensation for the inconvenience caused by this misinformation.

Mr H brought his complaint to us in late March 2023.

Our investigator didn't recommend that the complaint should be upheld. She thought Mr H agreed to a continuous payment authority which meant Hastings could take any future payments on the card.

Mr H disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- He called Hastings in January. Hastings put a hold on the account in January.
- He told Hastings that he was not able to pay the amount owed in one go. Hastings still tried to take the money.

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.

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules. One of those rules means that, before we can investigate a complaint, the consumer must first have made that complaint to the firm and waited for up to eight weeks for a final response.

At the time of Hastings' final response in March 2023, Mr H's complaint was about the use of his card details in mid-March 2023.

I haven't seen any evidence that Mr H has complained about the increase in the amount Hastings said he owed. He may know the explanation for this, or he may wish to ask Hastings.

Mr H has recently said that he contacted Hastings in January and it agreed to put the debt on hold, so it shouldn't have asked him for full payment in March. However, in line with the rules, my final decision will only address the complaint about the use of Mr H's card details in mid-March 2023.

The 2022 credit agreement included the following:

"Continuous Payment Authority

16 Where you grant us a Continuous Payment Authority ("CPA") by giving us your debit or credit card details, you're authorising us to use those details to ask your bank to make a payment for any money due under this Credit Agreement from your debit or credit card. This includes any amount that (a) you fail to pay on the due date, or, (b) is caused by changes to your Policy, including additional fees and charges. We will use a CPA on any payment due date where you have not made a required payment by way of direct debit. You'll always be told before we take any money from your card. As per condition 8, you must make payments due under this Credit Agreement by direct debit in the first instance. We will only use the CPA where we cannot take a payment in this manner. If there are insufficient funds available for us to take the due payment using the CPA, we will not make further attempts to use the CPA to take the payment. We will only use the CPA to take the full amount of each payment, it will not be used to take partial payments. Where we cannot take a payment using the CPA, this may result in you being deemed to have breached this Credit Agreement and may lead to: - the default fees and other charges specified in this Credit Agreement being applied; and/or - this Credit Agreement and your insurance Policy being cancelled. You have the right to cancel the CPA at any time by contacting us or your bank. However, if you owe us any money when you cancel the CPA, this Credit Agreement and your insurance Policy could be cancelled if you fail to repay this amount via another method."

From a Hastings screenshot, I find that - when he made the November 2022 payment - Hastings showed Mr H a message headed "*Continuous payment authority*". It told him that, by making that payment, he was agreeing to let Hastings use his card details for that payment and for any future payments in connection with the policy.

In my view, it was unfortunate that a Hastings agent told Mr H that it didn't have authority to use the card ending 5944. I'm satisfied that Hastings did have such authority.

Hastings acted promptly to correct and apologise for its agent's incorrect statement. It also paid £40.00 compensation. And I'm satisfied that Hastings' response was fair. I don't find it fair and reasonable to direct Hastings to pay any more compensation to Mr H in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Hastings Insurance Services Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 October 2023.

Christopher Gilbert
Ombudsman