

## The complaint

Mr S complains about Hastings Insurance Services Limited (Hastings) not renewing his motor insurance policy.

This decision concerns Hastings as the insurance broker responsible for arranging and administering Mr S's policy. It doesn't concern the insurer of the policy.

## What happened

Mr S had a motor insurance policy taken out through Hastings, which he'd had for several years. In March 2023, shortly before his policy was due for renewal, Hastings contacted Mr S to say they couldn't renew his policy. They said they'd searched their panel of insurers to find a renewal price for his policy, but none of them would offer one. So, Mr S's policy would end at the beginning of April 2023. Hastings didn't give a reason for not offering to renew the policy, but suggested Mr S check price comparison websites to see what options might be available for him to take out cover.

As his circumstances hadn't changed and he hadn't made any claims in the year, Mr S was unhappy at Hastings not offering to renew his policy or providing a reason why they wouldn't. As Hastings wouldn't renew his policy, Mr S's sister (the registered owner of the vehicle) took out a new policy. But as she couldn't use the No Claims Discount (NCD) Mr S had built up through his policy through Hastings, the new policy premium was over £700 (compared to the premium of just under £300 Mr S had previously paid). So, Mr S complained to Hastings.

Hastings didn't uphold the complaint. In their final response they said they weren't always able to continue to offer cover when a policy came up for renewal. They said insurers set standards on what risks they were – or weren't – willing to cover. And these standards were reviewed on a continuous basis. So, sometimes a renewal wouldn't be offered, even where a policyholder's details hadn't changed. When preparing renewal notices, Hastings did this at least 28 days before the renewal date, so policyholders had time to decide whether to renew their policy or – if a renewal wasn't offered – time to take out a new policy. Hastings also said they couldn't offer to renew the policy, even if Mr S was willing to pay a higher premium.

Mr S then complained to this service. He couldn't see why Hastings had refused to renew his policy, and they wouldn't tell him why he wasn't offered a renewal. Taking out insurance elsewhere meant a much higher premium (over £400 more than he'd previously paid and a higher premium was likely to continue in the future). Mr S wanted a full explanation of why Hastings wouldn't renew his policy and a quote (based on his nine years' NCD) of what a reasonable premium would be. He also wanted compensation for the higher premium on the new policy taken out (around £400 more than the premium under the policy with Hastings). Our investigator didn't uphold the complaint. She was satisfied Hastings checked with their panel of insurers, but none would offer cover for Mr S. While Mr S had insured through Hastings for several years, they weren't obliged to provide a policy for Mr S. The investigator said insurers set their own criteria about what risks and events they were willing to cover, which might change on a regular basis. But again, they weren't obliged to offer a policy to Mr S. Nor were Hastings obliged to ask their panel of insurers why they wouldn't offer cover to Mr S. Mr S had said he didn't want to access price comparison websites as he didn't want to

receive unwanted calls or emails. But that was his choice, as was his sister's choice to take out a policy at higher cost. So, Hastings weren't responsible for the higher cost.

Mr S disagreed with the investigator's view and asked that an ombudsman review the complaint. He didn't think Hastings had acted fairly or reasonably towards him, as a policyholder for up to 15 years with them. While he'd previously had to challenge renewal premium increases, more recently premium increase had been less, which he'd accepted. He thought Hastings should either provide him with a quote or say why they couldn't. And this wouldn't affect Hastings' assessment of risk.

### **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.

My role here is to decide whether Hastings have acted fairly towards Mr S.

The key issue in Mr S's complaint is whether Hastings have acted fairly and reasonably in not providing a renewal quote (from their panel of insurers) or a reason why they couldn't provide a quote. Mr S says this isn't fair or reasonable (even if it didn't contravene any legal requirements). Consequently, he (his sister) have had to take out cover elsewhere at a significantly higher cost. Hastings say they can't always offer to renew a policy if their panel of insurers aren't prepared to provide a quote. And that insurers set (and change) standards which mean they can decide not to offer cover – even where the policyholder's circumstances haven't changed, and they haven't made a claim.

I've considered both views carefully, together with the information and evidence available from Mr S and Hastings. I've concluded Hastings haven't acted unfairly or unreasonably. I know this will disappoint Mr S, so I'll set out why I've come to this conclusion.

The first point I've considered is that Hastings are an insurance broker, who arrange and administer motor insurance policies on behalf of the insurer (who underwrite the policy). Under this arrangement, a policyholder (when taking out a policy) enters into two contracts. The first contract is between the policyholder and the insurer (the name of which appears on the policyholder's certificate of motor insurance). Under this contract, the insurer is the company that provides the policyholder's motor insurance. The second contract is between the policyholder and Hastings, who arrange and administer the policy. As such, Hastings will arrange the renewal (or cancellation) of the policy.

At renewal, Hastings will obtain quotes from the panel of insurers they use to provide motor insurance policies. But it is the decision of those insurers on whether to offer a policy (either at renewal or as new business). It isn't the decision of Hastings, as the broker. In this case, when Hastings approached their panel to obtain renewal quotes, none were willing to provide a quote. I've no reason to doubt what Hastings have said about their approaching their panel of insurers and none being willing to quote. So, I can't hold Hastings responsible for the responses from their panel of insurers.

I recognise Mr S's frustration that, having had a policy arranged through Hastings for many years, they weren't able to offer renewal of his policy when it became due in 2023. The date of the letter in which Hastings told Mr S about the non-renewal of his policy is 28 days before the expiry of his policy. I think that's a reasonable notice period in which Mr S would have been able to look for alternative cover elsewhere (either through price comparison websites, other brokers or through direct contact with insurers). Mr S says he wasn't willing to use price comparison websites because of the risk of unwanted calls or emails. However, that's Mr S's choice, which again I can't hold Hastings responsible. While his sister was able to

arrange cover, she wouldn't have been able to utilise the nine years' NCD Mr S had built up under his policy (only Mr S would have been able to do so, and Hastings's letter confirmed his NCD entitlement). This is what I'd expect Hastings to do, so the decision of Mr S not to use price comparison websites (and his sister's taking out a new policy) aren't things I can reasonably hold Hastings responsible for.

The other main element of Mr S's complaint is that Hastings didn't provide him with a reason (a full explanation) of why they weren't able to offer renewal of his policy. While I can understand this being frustrating to Mr S, given his circumstances hadn't changed and he hadn't made a claim, Hastings aren't obliged (nor are the insurers on their panel) to provide a reason why they weren't willing to provide a quote for renewal. It's standard practice for insurers to regularly review their assessment of risks under a policy. These will take account of many factors, including the number and values of claims (both generally and in specific localities, as well as for particular vehicle types and models).

These factors will be distinct from the specific personal circumstances of a policyholder (including their location, claims history, any motoring or other offences). This information will be specific to an insurer and is commercially sensitive. So, it isn't something Hastings (or the insurers) are obliged to provide. So, I can't say Hastings (or the insurers) have acted unreasonably in not disclosing to Mr S why they didn't provide a renewal quote.

### **My final decision**

For the reasons set out above, it's my final decision not to uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 26 October 2023.

Paul King  
**Ombudsman**