

## The complaint

Mr H complained that Hastings Insurance Services Limited (“Hastings”) incorrectly notified him it was cancelling his policy and it didn’t respond to his formal complaint within 8 weeks.

## What happened

Mr H advised Hastings that his circumstances had changed. His policy was amended, and Mr H paid the additional premium required of his insurer for the cover to continue.

Mr H then received a letter indicating his policy would be cancelled – with limited information to explain why. Mr H was unhappy, so he raised a complaint – he was further distressed as Hastings didn’t respond within 8 weeks. Mr H said he was worried he didn’t have cover in place, and he spent time having to sort it out. Mr H wanted confirmation he was insured and wanted Hastings to explain why he was sent the cancellation letter and why it hadn’t responded to him.

Hastings said the cancellation letter was sent in error. It said it apologised for the inconvenience it had caused and the complaint was upheld. It said it hasn’t paid compensation as it didn’t think the letter had caused any negative effects.

Our investigator decided not to uphold the complaint. Whilst she appreciated Hastings had made a mistake she didn’t think the impact was significant, so didn’t think it warranted compensation. Mr H disagreed, so the case has been referred to an ombudsman.

## My provisional decision

I issued a provisional decision on this on 13 June 2023. I said:

*“Before I share my decision, I want to clarify Mr H has made two complaints in relation to the service he received from Hastings. In my decision, I will only address the issues within this specific complaint and will not consider any awards that have been made related to any other complaint.*

*Hastings has acknowledged the cancellation letter it sent was an error, so I have only focused on whether I think this act warrants compensation. I think it does, so I intend to uphold this complaint. I think sending a letter to cancel a policy is a serious matter. I appreciate it was done accidentally, but as this can potentially have significant impacts on an individual I’d expect Hastings to have the right controls operating in its business to prevent this happening. Mr H said he became worried when he received the letter as he was concerned he didn’t have cover for his home.*

*I can see Mr H addressed this immediately by sending a letter into Hastings. Unfortunately, this wasn’t addressed promptly by Hastings, nor was the complaint that he made. I think this would’ve added to Mr H’s distress. So, whilst I appreciate Hastings said his policy wasn’t cancelled and said there was no detrimental impact on Mr H, I do think it has underestimated the distress it has caused, albeit for a relative short period until Mr H realised his policy wasn’t cancelled. I don’t think Mr H suffered any financial detriment from the error.*

*I intend to award £50 compensation for the distress and inconvenience caused by the error. I think this is fair for the likely distress Mr H felt when he thought he may not have home cover and for the poor way in which Hastings responded to Mr H's concerns".*

### **Responses to my provisional decision**

Hastings accepted my provisional decision and didn't have anything further to add.

Mr H didn't accept my provisional decision. He provided some clarity on some of the points I made. He said He'd spent 15 hours of time on the complaint and so thinks the compensation should be £1,900, as it had stopped him from earning during those hours.

### **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.

Our service doesn't compensate individuals for lost wages – we consider what went wrong and award compensation in line with our compensation framework, so ensuring we treat individuals consistently. I think the £50 awarded is fair for the reasons I set out in my decision, so I won't be amending my decision.

### **My final decision**

My final decision is that I uphold this complaint. I require Hastings Insurance Services Limited to pay Mr H:

- £50 compensation – for distress and inconvenience.

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

Pete Averill  
**Ombudsman**