

The complaint

Mr G complains about Hastings Insurance Services Limited (“HISL”) and their failure to record his No Claims Discount (“NCD”) when he initially incepted his policy. Mr G also complains about delays in HISL providing him with the correct proof of NCD following a renewal.

What happened

In July 2021, Mr G purchased a motor insurance policy which was arranged, and administered, by HISL. Before agreeing to the policy, Mr G spoke to HISL about his NCD, as he was unsure what his NCD was due to a claim made on his previous policy by a named driver. It was agreed on this call that Mr G would purchase the policy based on the information he provided to the comparison website he used and that he would alter his NCD once he’d spoken to his previous insurer.

HISL received no further contact from Mr G until they issued his renewal invite in June 2022, which listed his NCD as 1 year. Mr G contacted HISL, making them aware he had 3 years NCD from his previous policy and so, he wanted his policy to be updated to reflect this. HISL actioned Mr G’s request, and a new renewal invite was sent. But Mr G contacted HISL again soon after, explaining he actually had 5 years NCD from his previous policy, not 3 as he originally thought.

On 28 July 22, Mr G’s policy renewed with 5 years NCD showing on the policy. And in early August, Mr G called HISL to pay the associated premium. But Mr G was unhappy with the service he’d received and so, he raised a complaint.

Mr G was unhappy the policy had been incepted with 0 years NCD, when he thought he made it clear on the call he should have 3. So, Mr G wanted to be refunded the discount this NCD would’ve had on his policy premium. And Mr G was unhappy with the overall service HISL had provided when dealing with his concerns, including a delay in them providing him with a correct NCD letter confirming he had 6 years NCD, including the year he’d accrued with them. Mr G was unhappy it took from August, until November 2022, for this proof to be provided. And he felt this prevented him from purchasing another, cheaper policy with another insurer.

HISL responded to Mr G’s complaints and upheld them in part. While they thought they had made it clear to Mr G his initial policy was calculated on 0 years NCD, they accepted Mr G actually had 5 during that policy period. So, they refunded Mr G a total of £773.70 for the additional premiums he’d paid, compared to what he would’ve paid had the 5 years NCD been in force.

And they accepted there had been some failures in the service they provided, which included failures to call Mr G back as requested. Over the course of responding to Mr G’s complaints, they paid him a total of £250 between 17 September 2022, and 17 May 2023. Mr G remained unhappy with this response and so, he referred his complaint to us.

Our investigator looked into the complaint and didn’t uphold it. They thought HISL had made

it reasonably clear to Mr G that the policy would originally be inception with 0 years NCD, and that Mr G could alter this once he'd received NCD confirmation from his previous insurer. So, they didn't think HISL had done anything wrong. But even so, they thought HISL's premium refunds were fair, to ensure Mr G hadn't paid additional premiums he wouldn't have, had his NCD information been given accurately to begin with. And because of this, they didn't think HISL needed to do anything more.

Mr G didn't agree, stating he thought he made it clear he had 3 years NCD on the call, which is why he didn't return to HISL when this is the NCD information his previous insurer provided him. And he reemphasised his complaint about HISL not providing him with proof of NCD in the summer of 2022, which prevented him from seeking cheaper insurance from another provider.

Our investigator explained their stance on the initial NCD information remained the same. And they issued a second view commenting on Mr G's concerns about the delay in HISL providing him proof of his NCD. They explained they had seen evidence that showed HISL had provided Mr G with proof of his NCD in August 2022. And, while this showed 5 years rather than 6 as it should've done, they thought this information would still have allowed Mr G to seek alternative insurance if he'd wished to do so, and that he could've altered the NCD at a later date, when HISL confirmed 6 years NCD in November 2022. So, they didn't think HISL needed to do anything more.

Mr G didn't agree. And he provided copies of conversations he'd held with other insurers which he felt showed he wouldn't have been able to update his NCD, had he sought new insurance in the summer of 2022. So, Mr G maintained his belief HISL should pay him compensation to acknowledge the cheaper premium he could've obtained, alongside a promotional offer Mr G stated was available to him by a comparison website. As Mr G remained unhappy, the complaint has been passed to me for a decision.

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.

Having done so, I'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Mr G. I think it's clear there has been some confusion surround his NCD entitlement, and I recognise the inconvenience and frustration this would've caused Mr G. So, I can understand why he feels he's been treated unfairly and want to be compensated accordingly.

But for me to say HISL should offer more than they have already, which is a premium refund of £773.70 and total compensation of £250, I'd need to be satisfied they've done something wrong that hasn't already been adequately compensated for, in line with our service's approaches to similar circumstances. And in this situation, I don't think that's the case.

I've first considered Mr G's concerns about the way his initial NCD entitlement was recorded when he initially took the policy in July 2021. I've listened to the full inception call, to gain a full understanding of what was discussed. And within this call, I did hear Mr G state he may have between 3 – 5 years NCD. But crucially, he explained at the time that he wasn't sure. And so, he confirmed to HISL that they should continue with the quote he'd obtained on the comparison website. And this quote was generated with Mr G inputting 0 years NCD.

Within the call, HISL explicitly asked Mr G whether the information included within the quote was correct. And Mr G stated yes, other than the NCD information. But immediately following this, Mr G stated he would confirm his NCD with his insurer and update his policy with HISL at a later date. So, this is what I would've expected Mr G to do, and I don't think HISL were unfair to follow his instruction. But Mr G didn't do this and so, no changes were made until HISL's renewal invite.

I appreciate Mr G recollection of the call disputes what I've stated above. And Mr G thinks he made it clear he had 3 years and so, when his previous insurer confirmed that to be the case, he didn't think he needed to change anything on his policy as he assumed this what his policy with HISL reflected. But I can see on 28 July 2021, HISL sent Mr G his policy documents. And within the welcome letter, HISL state "*Please read these details carefully and if they aren't right tell us right away*". I can see within the same policy documents, HISL included Mr G's cover summary which listed his NCD as "*0 years*". So, I think Mr G should've been reasonably aware of the NCD that was included on his policy, as he had an obligation to read the documentation HISL provided. So, I don't think I can say HISL have done anything wrong when calculating, and arranging, the initial policy Mr G took out.

But even so, it's pleasing to see that, following communication with Mr G regarding his NCD entitlement at renewal, HISL agreed to refund Mr G the additional premiums he paid that he wouldn't have, had he correctly recorded his NCD entitlement as 5 years in July 2021. This has ensured that Mr G hasn't incurred a financial loss, and I think this shows HISL acting both proactively and fairly. So, I don't think they need to do anything more for this aspect of the complaint.

I've then turned to the other main aspect of Mr G's complaint, which centres around the time it took for HISL to provide him with a correct proof of NCD in the summer of 2022. I've seen that Mr G initially disputed the NCD listed on his renewal at the end of June 2022. And I can see Mr G sent HISL more than one proof of NCD for them to consider, with Mr G initially stated he had 3 years NCD, before altering this to 5.

From what I've seen, I think HISL processed this information fairly, and within a reasonably amount of time. And this ensured Mr G received a policy premium quote that reflected 5 years NCD. And I can see two days after the policy renewed, he called HISL to pay the premium attached. On the same day, I can see HISL provided Mr G with a proof of NCD, stating he had 5 years.

But I do accept this was factually incorrect, as HISL hadn't added the additional year Mr G had earned in the previous policy year with them. I've seen HISL did update this to 6 years in November, and the refund to reflect the premium change was issued in May 2023, which includes the total refund I've discussed earlier within the decision. So, I don't think Mr G paid any more than he should've for his HISL policy.

However, I note Mr G states that, had HISL provided him with the correct proof of NCD, he would've sought a cheaper premium with another insurer. And that he could've made use of an offer in place with a comparison website at the time. While I recognise Mr G's comments around this, I haven't seen any evidence to show the quotes Mr G could've obtained with six years NCD, or any proof of the comparison website offer. And as our service is evidence based, I'm unable to consider the costs Mr G has hypothesised regarding this.

Nor do I think Mr G was prevented from purchasing insurance elsewhere. While I accept Mr G would only have been able to prove 5 years NCD initially, I do think Mr G could've sought alternative insurance and then updated the NCD to the correct 6 years. While Mr G has supplied evidence that disputes insurers offer this ability, I note this is exactly what HISL have done here. So, while I appreciate Mr G's point of view, I don't think I can reasonably

say this wasn't an option.

And even more crucially than this, I don't think I can be satisfied that this is what Mr G would've done. As I've explained, I've seen no evidence to show Mr G sought alternative insurance, and no quotes have been supplied. But I do hold evidence that shows Mr G called HISL to pay the premium attached to the policy renewal. Had Mr G not wanted to continue with his policy, I think it's reasonable for me to assume Mr G would've raised his intention to cancel the policy, and his query about being provided with a new NCD document, at this time. And I can't see Mr G did.

So, I don't think I'm able to consider any prospective losses Mr G feels he may have incurred aa crucially, he didn't take out a new policy and so, our service is unable to calculate what this financial loss may have been. And this falls in line with our services standard approach.

But I do accept ideally, HISL would've included the years NCD Mr G incurred with them, alongside the 5 he amassed with his previous insurer. And had they done so, I think Mr G would've had a correct NCD document sooner than he did. As I've already explained, I don't think I have evidence to show Mr G would definitively have sought new insurance at this point. But I do think that, because of this failure by HISL, Mr G had to wait an additional 3 months for the correct document. And I recognise this would've been somewhat inconvenient.

But over the course of Mr G's complaints, HISL have paid Mr G a total of £250. And, while some of this has been attributed to other service failures, I think this payment overall fairly addresses any inconvenience Mr G felt having to wait for the correct NCD document. And because of this and all the above, I won't be direct HISL to do anything more on this occasion.

My final decision

For the reasons outlined above, I don't uphold Mr G's complaint about Hastings Insurance Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 12 November 2023.

Josh Haskey
Ombudsman