

The complaint

Miss R complains about the way Advantage Insurance Company Limited, trading as Hastings, handled her motor insurance claim and the poor service she received.

What happened

Miss R insured her car with Hastings. In June 2022, she had a car accident. Hastings subsequently deemed her car to be a total loss and, on 28 June, offered her £3,735 by email to settle the claim. Miss R responded to accept the amount but wanted to know the category of write off and whether she could buy it back.

Miss R then chased payment by calling Hastings on 30 June. The notes show she was told the payment was raised that day and she should wait 3-5 working days for it to go into her account. Hastings says the payment was rejected when the payment team tried to send it. The claims department tried to send it again on 9 September but, again, it was rejected. Later Hastings explained this was because it needed Miss R to complete a DVLA licence check. It asked Miss R to do this on 26 September.

Miss R wasn't happy, so she complained to Hastings. It dealt with her complaint under three headings as follows in its final response letter (FRL).

Direct debit payments

Miss R complained direct debits have been attempted to be taken when she'd been told the outstanding balance would be cleared by the settlement payment before the balance was sent to her.

It said Miss R was told this, however, the settlement payment couldn't be made as a licence check was needed. Therefore, payments would carry on as normal until the settlement is paid and any remaining direct debits are paid out of this settlement. So, it didn't uphold this part of her complaint.

Conflicting information and recovery costs

As requested on 17 June, Miss R sent the invoice for the recovery costs to Hastings for it to consider if this would be paid. She was then told it needed to see proof of payment on 22 June. Although this information had been received by Hastings, it was only in the FRL (dated 11 August) that it agreed to send a request to the claims handler to review and confirm if further information was needed.

Lack of contact and failed call back requests

Hastings accepted Miss R had requested to speak to or get a response back from her claims handler on four separate occasions and none of these were actioned.

It upheld the last two parts of Miss R's complaint and offered £50 to apologise for the lack of contact from the claims handler and not giving Miss R a clear answer about the recovery costs. It said feedback would be given to the claims handler's manager.

Miss R was unhappy with this answer, so she brought her complaint to this service. To put things right, she wants the settlement to be paid and her excess to be refunded. She also seeks more compensation than the £50 Hastings offered. But she has confirmed it did ultimately pay the cost of the recovery invoice to her.

The Investigator looked into this and upheld Miss R's complaint. They didn't agree Hastings' offer compensated Miss R for the service and impact of this on her. So, they asked Hastings to pay an additional £200 to Miss R. They asked it to arrange to pay the total loss settlement (with the relevant excess and premium deductions) as soon as the licence check is complete with 8% interest from 30 June 2022 to the date of payment.

Hastings said that, whilst it accepts the claim could've been better, the recommendation for a further £200 seems high. And, although the validation process could've been implemented earlier, it needed to be done. Further, Miss R still hadn't complied with the licence check which has led to the delay and so it didn't agree interest on the claim settlement would be reasonable. The Investigator responded to Hastings to explain further her recommendations.

Miss R didn't agree either. She made several points including the following:

- The compensation isn't high enough and the term service issues doesn't accurately reflect the detriment these issues caused - it went beyond a few missed call backs and updates including misinformation, rudeness, false promises and lies.
- She won't give her licence details to Hastings in the way it has asked for them particularly as it asks for her national insurance (NI) number and she doesn't trust how this data will be handled.

The Investigator explained to Miss R they had considered everything in detail when making the recommendation and still considered it reasonable for Hastings to have requested the license information. They confirmed the link sent by Hastings to Miss R takes her to the governments website to complete the licence check so, it wasn't Hastings requesting her NI number, but a part of the information she needed to give to access the online service.

The matter was passed to me for a decision. I asked an Investigator to consider an additional complaint point. That is, Miss R said she made numerous requests to Hastings to return the car to her and asked it not to dispose of it. She said her requests were ignored. Miss R has explained the car had sentimental value because a close relation had bought it for her (who has since passed away) and so she would've had it repaired at any cost.

The Investigator discovered Hastings deemed Miss R's car a category S total loss and disposed of it. The Investigator agreed Miss R had been clear – she wanted the car back and asked Hastings not to dispose of it. So, they explained Hastings needed to put things right by paying to Miss R compensation of £750 to recognise the distress and inconvenience caused by doing this. Miss R and Hastings accepted this recommendation.

The matter has now 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.

Where there's a dispute about what happened, I've based my decision on what I think's more likely to have happened in light of the evidence.

I recognise I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every single point made by the parties involved. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this and it reflects the informal nature of this service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I've given careful consideration to all of the submissions made before arriving at my decision and I'm satisfied I don't need to comment on every individual argument to be able to reach what I consider to be a fair outcome.

Both Miss R and Hastings accepted the Investigators recommendation for Hastings to put right disposing Miss R's car against her wishes and the impact of how it handled this. So, this isn't something I've considered as part of my decision. Instead, I've focused on the first Investigators view which neither party accepted.

The key facts here aren't in dispute. Hastings admits it got things wrong. The issue I must decide is whether the things it has been asked to do to put matters right - as a result of the first Investigators recommendations - is a fair and reasonable way to resolve this complaint. I'm satisfied it is and I'll explain why.

To decide this, it's important to distinguish between the distress and inconvenience Miss R suffered because she had a car accident and its consequences, which Hastings isn't responsible for, with what Hastings did or failed to do that might've added to that distress. For example, Miss R being charged an excess is a consequence of the accident rather than something which is Hastings' responsibility.

Taking everything into account, I think it's right that Hastings should compensate Miss R for the impact of its failures in this matter. And we look at the impact any mistakes had on the consumer concerned. I can see from what has been said by Miss R that she has found this claim understandably stressful, and this impacted her wellbeing. But I also think it's important to say I consider Hastings took this matter seriously and recognised the impact of its actions when the complaint was raised by offering compensation for its failings, giving feedback to the claim handlers manager, and arranging for the recovery fee to be considered. That being said, I don't agree the compensation offered by Hastings of £50 went far enough to put things right.

I say this because I consider the service given to Miss R fell below the standard she was entitled to expect. And Hastings failed to meet the expectations placed on it by ICOBS when handling an insurance claim. I've seen contradictory and incomplete information was given to Miss R at various points in the claim – which led to delays - and several promises to call Miss R back which weren't met. Further, Hastings failed to realise it *couldn't* make payment to Miss R - despite telling her it had on several occasions after agreeing the settlement amount - as it hadn't yet carried out the checks it needed to. By the time it asked Miss R to help with this, the trust had broken down and she was sceptical about sharing this information with Hastings.

Taking everything into account, I consider the total compensation of £250 recommended by the Investigator (which is a further £200 on top of the compensation Hastings had already offered) to be fair and reasonable in the circumstances. I think this recognises the failures Hastings and their agents have made which have elongated the claim process and added further distress and inconvenience in addition to what Miss R would've experienced due to the car accident itself and the usual time our service would generally accept a business is allowed to consider and investigate a claim.

Turning now to interest on the settlement sum, which Hastings doesn't agree is reasonable. Had Hastings carried out the checks it needed to at the outset and asked Miss R to complete a licence check, I think it likely Miss R would've provided the information she needed to, and the payment would've been successfully paid to her in June 2022 when it was first processed. So, I agree interest is fairly due to Miss R on the settlement sum. However, I consider it's important to explain my decision on the date interest should be paid until if the settlement sum hasn't already been paid to Miss R, with interest.

I can't now say it'd be fair and reasonable to require interest to be paid until payment is made by Hastings. This is because the payment is now delayed by Miss R's decision not to complete the licence check. And this is in circumstances where she brought her complaint to our service for an independent review and we've explained to Miss R the nature of the check and confirmed the link is for the government's website, rather than Hastings, and told her this needs to be completed. So, I consider it reasonable to have expected Miss R to complete this check within a month of the service giving her its view in the matter and then taking the further time to explain this on 14 February 2023. Had she done so, I'd have expected Hastings to make payment within two weeks. Therefore, it's my decision the interest should accrue from 30 June 2022 up to 28 March 2023 (that is, one month and two weeks after the Investigators last correspondence explaining the licence check).

In light of the above, I would recommend Miss R completes the DVLA licence check as soon as possible, if this hasn't already been done.

In relation to the direct debits, I accept Miss R was told her outstanding direct debit payments would be taken away from the settlement sum paid to her. And this is correct if the payment had been made when the call handler thought it would. As it wasn't, the direct debit payments were due and called for in the usual way. Whilst frustrating, it wasn't unreasonable for Hastings to do this, although I appreciate it would've been clearer if they'd explained what might happen if the payment was delayed beyond one of Miss R's usual direct debit payment dates. But I also accept it's likely the call handlers saw the payment had been processed and didn't think this would be delayed. And I've taken this into account when considering the compensation due to be paid by Hastings set out above.

I note Miss R wants her excess to be refunded to her. I've seen no reason why Miss R shouldn't pay her excess, so Hastings is able to deduct this from the settlement sum.

I know Miss R will likely be disappointed with this outcome overall. But my decision ends what we – in trying to resolve the dispute with Hastings – can do for her.

Putting things right

Unless it has already done so, Advantage Insurance Company Limited, trading as Hastings, should:

- Pay Miss R's claim for the total loss of her car, using the agreed value of £3,735 (less the excess and outstanding direct debit payments, if any). This payment is due once Miss R has successfully completed the DVLA licence check.
- Add 8% simple interest to the settlement sum from 30 June 2022 until 28 March 2023.
- Pay Miss R a total of £250 in compensation for the distress and inconvenience caused.

My final decision

My final decision is I uphold this complaint. So, Advantage Insurance Company Limited needs to take the steps outlined above to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 22 August 2023.

Rebecca Ellis
Ombudsman