

## **The complaint**

Mr C complains Hastings Insurance Services Limited, trading as Hastings Direct, (Hastings) sold him a motorbike insurance policy with terms which didn't reflect what he'd bought.

## **What happened**

In October 2022, Mr C took out a motorbike insurance policy with Hastings. Mr C added Personal Accident Insurance (PA Cover) as an optional extra.

In March 2023, Hastings wrote to Mr C to explain the PA Cover had been unknowingly mis-sold. This is because the online sales journey wrongly said the cover extended to pillion passengers. Although, it noted the policy document issued to Mr C after buying the policy correctly set out what was covered.

Mr C was unhappy, and a complaint was raised. Hastings offered Mr C compensation of £30 for the upset caused. It also gave Mr C the option to cancel the policy with a full refund of the premium paid in October even though he'd been on cover since then.

Mr C didn't agree so brought his complaint to this service. To put things right, he wants Hastings to send him and his partner a written apology for its actions and distress caused. He also wants the premium refunded to him whilst the policy remains active for the rest of the policy year, so his no claims bonus isn't affected. Finally, he wants compensation for the stress and upset caused by putting the lives of Mr C's partner and other passengers at risk.

When responding to this service, Hastings said the Motor Legal Expenses cover Mr C has, covers pillion passengers when making personal injury claims and notes a passenger may instigate a personal injury claim using their own means. Further, it says as Mr C didn't choose to cancel his policy for a full refund to take out insurance which does offer PA Cover for passengers, it can't agree he specifically bought the policy for the PA Cover.

An Investigator considered matters and thought the offer from Hastings was fair and reasonable, so they didn't ask it to do more to put things right. Mr C disagreed. He asks where the consumers rights are – the public always get the kicking and get slammed. And explained he didn't choose to cancel the policy because he doesn't want to lose a years' no claims bonus and start again.

This matter 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 must tell Mr C I'm satisfied the Investigator reached a fair outcome as I agree the business made a fair and reasonable offer to put things right. I'll explain why.

The key facts about this aren't in dispute. Hastings has admitted it got things wrong when its unknowingly mis-sold Mr C the PA Cover optional extra to his motorbike insurance policy in October 2022. The only issue I therefore need to decide is whether the things it has done to put this right, including the compensation it's offered, is fair and reasonable.

I think it's important to explain that, as a service, our awards are designed to compensate consumers, not punish organisations. We look at the impact any mistakes have had on the consumer concerned. I can see from what has been said by Mr C he has been very concerned by what could've happened. But I think Hastings took this matter seriously when it realised a mistake had been made. It proactively contacted Mr C, apologised, and agreed to cancel his policy and refund the premium. It also offered £30 compensation for any distress caused by the mistake. I believe this is fair and reasonable in the circumstances.

I know Mr C wants Hastings to refund the full premium while leaving the motorbike insurance policy in place. But Mr C has had the benefit of the policy held since October 2022. So, I don't agree it'd be fair or reasonable to require Hastings to do this.

Mr C says the PA Cover was a key reason for him taking out this particular policy with Hastings. But I don't see things the same way. I say this because insurers make it clear a consumer must check to ensure the details are correct in the policy documents. It was clearly stated on the PA Cover product information document the only person covered under this optional extra was Mr C. So, I think it's reasonable to have expected Mr C to notice this if it was a key requirement. I also note he didn't accept the offer to cancel his policy for a full refund due to wanting to gain a year of no claims bonus. And he wants the policy to remain in place for free. This doesn't suggest the PA Cover was the key reason for him choosing the policy. In any event, as Hastings has pointed out, there was an option in place for a passenger who was injured, both under the policy and generally.

I know Mr C wants compensation which reflects the grave danger he and his passengers realise they'd faced once they were told by Hastings they hadn't been covered. But my role is to consider whether Hastings acted fairly and reasonably in putting things right in relation to the mistake it made and the impact this actually had, rather than the impact it *could* have had if the facts had been different. And, for the reasons set out above, I'm satisfied it has.

I know Mr C will be disappointed with this outcome. But my decision ends what we – in trying to resolve his dispute with Hastings – can do for him.

### **Putting things right**

Hastings Insurance Services Limited has already made an offer to pay £30 distress and inconvenience to Mr C to settle the complaint and I think this offer is fair in all the circumstances.

### **My final decision**

In light of the above, my final decision is that Hastings Insurance Services Limited should pay £30 to Mr C to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 30 August 2023.

Rebecca Ellis  
**Ombudsman**