

## **The complaint**

Mr S has complained about the way Hastings Insurance Services Limited (HISL) dealt with the cancellation of his car insurance policy.

## **What happened**

Mr S bought a car insurance policy through an administrator HISL in May 2023.

In July 2023 Hastings arranged for the policy to be cancelled due to not receiving adequate driving data. This was a condition of the policy whereby Mr S was to set up an app and a device to his car.

Mr S complained about Hastings' decision. He said he told Hastings he seldom drove his car and so this was a reason why there was no driving data. But Hastings refused to reinstate the policy. Mr S wanted an apology from Hastings, for it to remove the record of a cancellation by an insurer, and to pay him compensation for the distress and inconvenience caused.

Hastings apologised to Mr S as it said it could and should have held a discussion around the suitability of the policy when Mr S called on 4 July 2023 - before the policy was cancelled by Hastings. So it agreed to waive its fees on cancellation and paid a credit of £40 to Mr S. But it said it had fairly cancelled the policy.

Mr S asked us to look at his complaint. Our Investigator asked Hastings to provide a recording of the key call in July 2023 to better understand what was discussed.

Hastings didn't provide a recording of the call. So in its absence, the Investigator recommended Hastings remove any record of a cancellation by an insurer. Given Hastings' comments that it should have discussed the suitability of the policy - and given what Mr S told us and Hastings that he seldom drove his car - she thought it unfair for Hastings to record a cancellation, as it seems on balance it should have given Mr S the opportunity to cancel the policy before it did, as it was unsuitable.

The Investigator recommended Hastings pay Mr S £100 compensation for the distress and inconvenience caused by its decision.

Mr S accepted the Investigator's findings. Hastings didn't agree. It says it offered a service on a non advisory basis and so it doesn't agree it should engage in such discussions with customers.

So the case has been passed to me to decide.

## **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.

I agree that the service HISL provides is not an advisory one. And I can see from the information provided that it followed its cancellation process in line with the policy.

However, Hastings hasn't provided a recording of the key call despite our requests. So I agree with the Investigator's recommendations and I'm upholding this complaint. This is because Hastings upheld Mr S's complaint in part as it said when he called on 4 July 2023 -

before it cancelled the policy - it should have discussed in more depth the suitability of the policy. So Hastings said it had done something wrong.

Without the recording of the call, from the remaining information available, I think Mr S should have been given the opportunity to cancel the policy before Hastings did. This is because the consequences of having a cancellation by an insurer can be significant for a customer. I don't have enough information from Hastings to safely conclude that a cancellation by them was inevitable - as it seems to acknowledge that the key call on 4 July 2023 should have been handled better. Hastings told us;

*"With regards to our decision to uphold the complaint, this was based on our complaint handler's opinion that we should've held a conversation with Mr S regarding whether or not the policy was suited to them."*

So I'm upholding this complaint as I don't think Hastings has shown it acted in a fair way when Mr S called it on 4 July 2023 - this being the same day Hastings issued notice of cancellation to Mr S.

### **My final decision**

My final decision is that I uphold this complaint. I require Hastings Insurance Services Limited to do the following:

- Remove any record of a cancellation by an insurer against Mr S for this policy.
- Pay Mr S £100 compensation for the distress and inconvenience caused.

Hastings Insurance Services Limited must pay the compensation within 28 days of the date on which we tell it Mr S accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 January 2024.

Geraldine Newbold  
**Ombudsman**