

## **The complaint**

Mr and Mrs F complain that Hastings Insurance Services Limited mishandled a change they made to their car insurance policy.

## **What happened**

In August 2022 Mr and Mrs F asked Hastings to amend their policy as they'd changed their car. Hastings said their premium would increase by about £130 and Mr and Mrs F paid this amount. In June 2023, shortly before their policy was due to expire, Mr and Mrs F logged on to their policy portal and noted that it only referred to their old car and said their policy had expired. They called Hastings the same day but were told to call back the following day. When they did, Hastings said they should be covered as a payment had been made. But Mr and Mrs F didn't get anything to confirm that. So, they decided to insure their car with another insurer, about two weeks earlier than it was due. They also complained to Hastings.

Hastings reviewed the matter and found there had been a system issue that meant the change notified in August 2022 hadn't been properly recorded. It processed the change to the new car again and gave Mr and Mrs F their policy documents. It said their car had been continually covered over the past year. But it recognised the issue had caused some upset and offered to pay them £40 by way of an apology. Mr and Mrs F weren't happy with that outcome and so brought their complaint to this service.

Hastings reviewed the situation again after Mr and Mrs F approached this service. And decided to increase the compensation to £150. Our investigator thought that amount was reasonable and better reflected the impact the error had on Mr and Mrs F. But she also thought it had been reasonable for Mr and Mrs F to insure their car with another insurer in June 2023 when Hastings didn't confirm it was insured. So, she thought Hastings should refund the part of the premium they'd paid from 20 June 2023, when they'd bought a new policy with another insurer, to 1 July 2023, when their Hastings policy expired.

Hastings agreed with our investigator's recommendation, but Mr and Mrs F weren't happy. They said they'd paid for insurance they hadn't received and wanted Hastings to refund their premium for the whole year. As they remain unhappy, their complaint has been forwarded to me to make a final 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.

There's no dispute about the facts of this case. Hastings has accepted there was a system issue that meant it hadn't recorded the change to the policy Mr and Mrs F told them about in August 2022. That meant the online portal showed their policy had expired when they looked online in June 2023. When they contacted Hastings, it took action to process the change and provide Mr and Mrs F with the correct policy documents. But by that stage they'd decided to insure their car elsewhere. Hastings accept its call handler could have handled things better when Mr and Mrs F phoned them to try to clarify what was happening. That meant they were

left confused and, as they said, left in limbo, not knowing whether or not they should drive their car. And faced with that uncertainty, I think it was reasonable for Mr and Mrs F to insure their car with another insurer.

So, what should Hastings do to put things right? It's offered to pay Mr and Mrs F £150 for the upset its caused. And, at our investigator's recommendation, it's agreed to refund their premiums from 20 June to 1 July 2023. In the particular circumstances of this case, I think that's a reasonable way to resolve this complaint. Let me explain why.

Mr and Mrs F think Hastings should refund their premiums from August 2022, but I don't think it would be fair to ask Hastings to do that. They think they were uninsured for that period and said they'd paid for something they didn't get. But Hastings has confirmed they would have been continuously covered for the whole period from August 2022 onwards, regardless of the fact their system said they weren't. They'd paid for the cover from August 2022 and I'm satisfied Hastings had accepted the contract to provide insurance over that period and would have provided a service had there been a need to do that. So, I think it would be unfair to ask Hastings to refund their premiums for the whole period of insurance.

That said, I can understand the confusion and upset it must have caused when Mr and Mrs F logged on to their policy portal and saw that their policy had expired. And that would have been compounded by the poor service provided by Hastings when they called to try to clarify matters, and by the delay in confirming that they were insured. So, I think it was right that Hastings apologise and pay compensation for this poor service. And I think the increased offer of £150 is a fair and reasonable way of putting things right in light of the distress and inconvenience caused by Hastings.

As I've said, I also think it was reasonable for Mr and Mrs F to insure their car with another insurer when they were left in limbo and weren't sure whether their car was still insured by Hastings. As they were paying to insure the same car with two different insurers, I think it's reasonable to ask Hastings to refund the premiums they paid for the period from 20 June to 1 July 2023. Taken together with the £150 compensation, I think that provides a fair and reasonable outcome to Mr and Mrs F's justified complaint.

### **My final decision**

For the reasons given above, I uphold this complaint. I require Hastings Insurance Services Limited to refund Mr and Mrs F the part of their premium they paid between 20 June 2023 and 1 July 2023. And pay £150 compensation for the poor service it provided.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mrs F to accept or reject my decision before 8 February 2024.

Richard Walker  
**Ombudsman**