

## **The complaint**

Miss P complains that Hastings Insurance Services Limited (“Hastings”) unfairly cancelled her motor insurance policy.

## **What happened**

Miss P took out a motor insurance policy for the year from 20 August 2022. Hastings acted as an intermediary and policy administrator.

Miss P paid the cost in one payment. Miss P gave Hastings an email address.

The policy was a telematics or “black box” policy that required a tab device in Miss P’s car and an app on her phone.

The policy covered Miss P as policyholder and her mother as a named driver.

Hastings noticed a problem with collecting driving data and it sent communications to Miss P about that problem.

In April 2023, Hastings cancelled the policy.

Miss P complained to Hastings that it had cancelled the policy unfairly.

By a final response dated mid-May 2023, Hastings turned down the complaint.

Through her father, Miss P brought her complaint to us in early June 2023.

Our investigator recommended that the complaint should be upheld. She thought that Miss P called Hastings and made them aware of her preferred method of correspondence.

The investigator recommended that Hastings should:

1. provide Miss P with confirmation her policy was cancelled in error; and
2. pay £100.00 as an apology for the inconvenience caused; and
3. remove any negative notice.

Hastings provided further information. It said it had sent a letter and email on 11 April and on 25 April 2023.

Our investigator changed her opinion. She didn’t recommend that the complaint should be upheld. She thought that Hastings had given sufficient notification by providing written communication via the post to notify Miss P the policy would be cancelled.

Miss P disagreed with the investigator’s opinion. She asked for an ombudsman to review the complaint. Her father says, in summary, that:

- The first time the telematics disconnected, Hastings sent an email.
- She is sure she asked Hastings to contact her by phone.
- The second time the telematics disconnected, Hastings contacted her by text message to her mobile phone. By using phone text messages, Hastings had set an expectation that this is how they would communicate in the event of further issues with the telematics device.
- On the occasions when she did receive alerts that the telematics had become disconnected, she immediately took steps to rectify the problem.
- The third time the telematics disconnected, Hastings reverted to using email.
- Having not received a response from e-mail, Hastings didn't try to contact her by phone.
- The new letter Hastings has produced was never received.
- This problem has arisen as a result of inconsistent communication by Hastings.
- She did nothing wrong.
- She will have to declare cancelled insurance on all car insurance applications for the rest of her life.
- Insurance premiums for young drivers are already sky high without an additional loading as a result of this cancellation. She can barely afford to run a car as it is.
- All they want from Hastings is a simple letter to say something along the lines of:

*"We accept the insurance was cancelled as a result of a breakdown in communications rather than any deliberate attempt to interfere with the operation of the telematics device. You do not need to declare your insurance was cancelled on any future motor insurance applications"*

### **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.

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules. Where we uphold a consumer's complaint about a regulated firm's unfair act or omission, we can direct the firm to take steps to put things right for the consumer.

Consumer Insurance (Representations and Disclosure) Act 2012 ("CIDRA") imposes a duty of a consumer when taking out insurance to take reasonable care to avoid making a misrepresentation. CIDRA - and our approach to related complaints – places weight on the questions that a consumer answers.

We are aware that many insurers ask a question whether a consumer has ever had a policy cancelled. So we recognise that a cancellation may have long-lasting consequences. We would expect a firm to give at least seven days' written notice of cancellation.

Where we find a cancellation unfair, we often direct the firm to write a letter to the consumer (which she may show to any prospective insurer) saying that the policy was cancelled in error. We wouldn't direct that unless we upheld a complaint that the firm had acted unfairly. And I don't consider that we should direct the firm to tell the consumer how she may answer questions from prospective insurers.

The Hastings policy terms included the following:

*“Our rights to cancel your Policy*

*We may give you seven days’ notice of cancellation*

*We and your Insurer can cancel your Policy at any time by sending you seven days’ written notice to the last postal or email address on our system, stating why the Policy has been cancelled. We can only do this for one of the following reasons:*

*...*

*You share an insufficient amount of Driving Data with us during your Policy, we do not receive any Driving Data for more than 28 days, or a significant proportion of your Driving Data is captured without you using the App”*

I accept that Hastings offers a choice between post or email for main policy communications. It doesn’t offer the option of telephone or text for main policy communications because it might need to attach important documents. Hastings has said that it does sometimes use texts for short updates.

From the recording of the call on 30 August 2022, I find that Miss P didn’t ask Hastings to change the email address it had for her. Miss P asked Hastings to change its record of her contact telephone number. But Miss P didn’t ask Hastings to contact her by phone. And if she had asked, I think Hastings would’ve explained that this wasn’t possible.

I have no reason to doubt Miss P’s statement that there were previous occasions when Hastings contacted Miss P about her driving data by text. However, I don’t accept that this meant that Miss P no longer needed to check for emails and letters.

I accept that on 27 March 2023, Hastings emailed a letter to Miss P. The letter started as follows:

*“Please check our app is set up correctly*

*We think there may be an issue with your phone settings, which is stopping our app from working correctly. Because we gave you a better price for sharing your driving style with us, it’s important to fix this as soon as possible.”*

I accept that on 11 April 2023, Hastings sent an email and a letter including the following:

***“Important: We may have to cancel your policy***

*We recently wrote to you to let you know there was a problem with your driving data. Because we gave you a better price for sharing your driving style with us, we’ll have to cancel your policy on 25th April 2023 if you don’t fix the problem or get in touch with us to talk this through*

***What you need to do***

*We don’t want to cancel your policy, so please check your app and tab to make sure everything’s working correctly. If you’re still having problems setting up your app or tab, there’s lots of help in our FAQs. Or get in touch so we can help.*

***If you no longer want a YouDrive policy***

*If you’d rather not use the app and tab, just get in touch and we’ll try to find a new policy that’s right for you.”*

So Hastings gave Miss P at least seven days’ written notice by email and letter that it would cancel the policy with effect from 25 April 2023. I consider that this was in line with the policy terms and not unfair.

On 25 April 2023, Hastings sent an email and a letter confirming that it had cancelled the policy. Miss P’s father has said that she received that letter several days later.

Whilst I don't under-estimate the impact on Miss P, I don't find that Hastings treated her unfairly. So I don't find it fair and reasonable to direct Hastings to do any more in response to this complaint.

### **My final decision**

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Hastings Insurance Services Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 27 March 2024.

Christopher Gilbert

**Ombudsman**