

The complaint

Mr L complains that Hastings Insurance Services Limited trading as Hastings Direct mishandled his motor insurance policy.

What happened

The subject matter of the insurance policy was a small hatchback car that had first been registered in 2006.

Mr L acquired the car. For the year from mid-August 2023, he took out insurance through Hastings Direct, an insurance intermediary. That included a motor insurance policy underwritten by an insurance company. It also included an additional personal accident policy underwritten by an insurance syndicate.

The total cost was going to be about £564.00 for the year. That included about £30.00 for the personal accident cover and about £62.00 interest for paying by instalments.

The policy documents said that Mr L was in the construction industry.

Mr L made an initial payment of about £47.00 to Hastings Direct. He set up a payment authority for further payments of about £47.00 on dates at the end of each calendar month or the beginning of the next. Those dates included the following:

31 August 2023

02 October 2023

31 October 2023

01 December 2023

02 January 2024

31 January 2024.

On about 2 January 2024, Hastings Direct tried unsuccessfully to take a payment of about £97.00.

On 9 January 2024, Mr L called Hastings Direct and paid about £47.00 over the phone.

On about 10 January 2024, Hastings Direct took about £97.00 from his account.

On 11 January 2024, Mr L called Hastings Direct again, and it agreed to call him back. Later that day, Mr L called Hastings Direct again to complain.

Mr L sent Hastings Direct an invoice from his company, which wasn't in the construction industry.

By a final response dated 19 January 2024, Hastings Direct apologised for not communicating properly and for not calling Mr L back on 11 January 2024. It declined to pay the invoice but said it was paying him £100.00 compensation.

Mr L replied. By an email dated 25 January 2024, Hastings Direct declined to increase its payment. It also said that from 1 February 2024, the policy would be cancelled because of Mr L's occupation.

By a letter dated early February 2024, Hastings said that Mr L had a balance to pay of about £62.00.

By a final response dated 15 February 2024, Hastings Direct (on behalf of the insurance company) turned down Mr L's complaint about the cancellation. Hastings Direct also turned down his complaint about the claim for about £62.00. Hastings Direct said it was paying Mr L a further £30.00 compensation for not calling him back on the morning of 13 February 2024.

Mr L asked us to investigate.

Our investigator said that we would deal with Mr L's complaint about cancellation as a separate complaint against the insurance company.

As regards Mr L's complaint against Hastings Direct, our investigator didn't recommend that the complaint should be upheld. He thought that the apology and £100.00 compensation was reasonable to resolve this complaint.

Mr L disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- He had put Hastings Direct on notice, which its agent agreed to on the phone.
- The impact was he had to cancel business appointments to try and resolve the issue.
- He has billed Hastings Direct a total of £1,279.96 for his time (£133.33 hourly rate *4hrs *2 incidents).
- Hastings Direct charged £70.00 for cancellation and started debt recovery.

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 find it likely that Mr L paid the instalments due on 31 August 2023 and 2 October 2023.

From Hastings Direct's statement of account, I find that Mr L missed the payment due on 31 October 2023. So Hastings Direct applied a fee of £12.00.

On 28 November 2023, Mr L paid about £47.00. He also set up a direct debit. However, that was too late for the payment due on 1 December 2023, so Hastings Direct didn't take that payment.

When another payment fell due on 2 January 2024, Hastings Direct tried unsuccessfully to take payment of about £97.00. I think that was for the payments due from 1 December 2023 and 2 January 2024 and a proportion of the fee of £12.00.

Hastings Direct asked the bank again for the payment of about £97.00.

During the call on 9 January 2024, Hastings Direct said that it had tried to take the payments for December 2023 and January 2024. Mr L paid about £47.00. And Hastings Direct revised the payment schedule so as to spread the missed payment over the remaining period, starting with an increased payment of about £58.00 on 31 January 2024.

I accept Mr L's statement that he told Hastings Direct that he would charge his hourly rate for any further inconvenience. I will come back to that.

I accept that Hastings Direct had indicated to Mr L that his payments were up to date. So he wasn't expecting Hastings Direct to take any payment – let alone about £97.00 - on 10 January 2024.

I accept that this caused Mr L to call Hastings Direct on 11 January 2024. It promised to call him back but didn't. I accept that this caused Mr L to call Hastings Direct again.

From what I've seen, Mr L reclaimed the payment of about £97.00 from his bank, which reclaimed it from Hastings Direct.

Hastings Direct promised to call Mr L back on the morning of 13 February 2024 but didn't.

I find that Hastings Direct fell below a reasonable standard of communication, in particular on 9 January 2023. I've thought about the impact of that on Mr L.

I've seen an email from Mr L to Hastings Direct dated 28 March 2024. In it, he complained about Hastings Direct asking him to pay the balance of about £62.00. He also referred to an outstanding invoice for £539.98 and he enclosed a further invoice for £639.98 including VAT, bringing the total to £1,179.96. More recently, Mr L has claimed £1,279.96, which I think was also including VAT.

I've taken into account the relevant law, regulation and good practice. Above all, I have to decide what's fair and reasonable.

I'm not at all persuaded that Hastings Direct agreed to pay Mr L an hourly rate. Also, he hasn't provided enough evidence of his usual earnings or of cancelled business appointments, for example on 11 January 2024. In any event, I don't consider that it would be fair and reasonable for me to ask Hastings Direct to pay Mr L by reference to the hourly charging rate that his company charges for its highly specialist work (or VAT).

Whatever Hastings Direct said about it, I consider that in cancelling the policy it was acting on behalf of the insurance company. So I agree that it's right that we are dealing with Mr L's complaint about cancellation separately as a complaint against the insurance company.

The insurance company was also responsible for calculating the charge for the time on cover. As that was about 24 weeks instead of 52 weeks, I would expect a charge of about £250.00. In addition, I would expect Hastings Direct to have to charge the full £30.00 for the additional personal accident cover and about £30.00 of the interest.

From its letter dated early February 2024, I accept that Mr L had paid a total of £247.42.

From that letter, I consider that Hastings Direct charged Mr L for the following:

additional accident cover £ 30.00

time on motor cover	£241.75
interest	£ 37.81
total	£309.56

From its letter dated early February 2024, I don't consider that Hastings Direct charged Mr L a cancellation fee. I would've found a cancellation fee of £45.00 fair and in line with its terms of business.

So I don't conclude that Hastings Direct treated Mr L unfairly by asking him to pay a balance of £62.14.

I've accepted that Hastings Direct fell below a reasonable standard of communication . And I accept that the impact of that on Mr L has been more than minimal. I accept that the apologies weren't enough to put things right.

However, Hastings Direct also made payments totalling £130.00. Overall I'm satisfied that it did enough to compensate Mr L. So I don't find it fair and reasonable to direct Hastings Direct to pay any more to Mr L.

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 trading as Hastings Direct to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 28 June 2024.

Christopher Gilbert

Ombudsman