

The complaint

Mrs R (represented by Mr R) says Hastings Insurance Services Limited provided poor service and wrongly charged a fee for renewing her motor insurance policy.

What happened

Mrs R's policy was due to renew automatically on 17 February 2024. As she had another policy in place from that date, Mrs R tried to stop the renewal on her online account, but she found she couldn't do so. She called Hastings two days after the policy renewed, and an advisor told her she'd be charged for time on cover as well as a £20 admin fee. The call lasted just under an hour. During it, the advisor left Mrs R on hold many times, provided inaccurate information to her, failed to check that she'd been insured elsewhere and didn't acknowledge her efforts to cancel the renewal online. Eventually, Mrs R authorised her husband (Mr R) to speak to the advisor and left the call. She complained about Hastings' poor service and Mr R said it hadn't met Consumer Duty requirements.

Hastings accepted that the service provided by the advisor was poor and that he hadn't shown Mrs R any empathy. It said feedback had been given to him. It also apologised and offered Mrs R £50 compensation, but it kept the £20 admin fee.

One of our Investigators reviewed Mrs R's complaint. She thought it was fair for Hastings to retain the £20 fee, as it was set out in the policy's terms and conditions as non-refundable on renewal. But she didn't think £50 compensation was enough. She said Hastings should pay Mrs R £100 in total given the distress and inconvenience caused to her.

Hastings acknowledged that Mrs R wouldn't have been able to stop the renewal online once the invitation to renew had been issued. It said she'd have had to call it to do so, but that making a call didn't mean she was inconvenienced. It accepted that the call should only have taken 10-15 minutes rather than 55 minutes, but it didn't think Mrs R could show it had more than a minimal impact on her. It said our guidance for distress and inconvenience awards said that less than £100 was sufficient for a one-off incident with a minimal impact.

The Investigator said the compensation reflected the fact that Mrs R wasn't able to stop the renewal when she wanted to do so, and that the subsequent call was poor in several respects. She also said Hastings gave Mrs R further incorrect information after it had issued its final response letter. Hastings said that was outside our jurisdiction, and repeated that it thought there was only a single error on its part, with minimal impact on Mrs R.

As there was no agreement, the complaint was passed to me for review.

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 think Hastings was entitled to charge a £20 admin fee when the policy renewed, as it's a non-refundable charge on renewal that's set out in the policy's terms and conditions.

The renewal documents said if Mrs R didn't want the renewal to go ahead automatically, she could opt out of it through her online account, or by calling Hastings. Mrs R says making calls is difficult for her, and I think it was reasonable for her to expect to be able to stop the renewal online quickly and easily. Initially Hastings told us the online process was simple, and that there was nothing to show that Mrs R had tried to navigate it. Later, it accepted that she would never have been able to stop the renewal online, so it seems Mrs R wasted her time trying to do so. I think that shows poor customer service, as it wasn't clear to Mrs R that she could only stop the renewal by calling Hastings.

In my opinion, it's not reasonable for Hastings to say Mrs R wasn't inconvenienced by the call. She didn't want to make it in the first place (partly because her job prevented her from calling during the day). Furthermore, I think Mrs R could reasonably have expected the call to be short, given that the issue at hand was straightforward. I think she was further inconvenienced by the length of it. Hastings accepts that it was overly long, and that the advisor put Mrs R on hold far too many times unnecessarily. I think unduly long calls and frequent unproductive hold times are issues that would have frustrated most consumers.

I also think the content of the call shows that the advisor struggled to deal with it and didn't seem up to speed on much of the process. He was hesitant, and Mrs R had to repeat herself. He didn't seem to notice that she'd said she'd tried to stop the renewal online – which meant she was already frustrated with Hastings' process before the call took place. I think the advisor's apparent lack of interest was bound to cause Mrs R further upset.

Mrs R called to ensure she was refunded the whole sum that had been taken for the premium. She didn't expect to have to argue about paying for time on cover, when insurance elsewhere had been in place for the previous two days. I think that was bad enough, but the advisor asked her for proof of the other cover, when he could have checked a database to confirm it. And although he kept leaving the call to check something (or to speak with a manager) he didn't seem to be any better informed when he returned.

After Mrs R said she wanted to make a complaint, the advisor went through a series of questions about processing and accessing her information. I don't think the questions were clear, and it was obvious that Mrs R was confused about them and about why they were being asked. I can't see why they were relevant at that point, and the advisor made no attempt to explain. In my opinion, it's significant that Mrs R became so exasperated with the advisor at this point (having made little progress after 40 minutes) that she felt she couldn't continue with the call and had to authorise Mr R to do so.

The advisor raised the issue of time on cover with Mr R - although earlier, after Mrs R's objections, he'd agreed to refund the full premium (minus the £20 admin charge). Mr R pointed out that he'd tried to stop the renewal three days earlier online, and that another policy was in place at renewal. The advisor showed no reaction to that (just as he'd not reacted to Mrs R saying the same).

I think the call handling was particularly poor. Hastings has accepted that it wasn't of an acceptable standard and that Mrs R should be compensated for the impact of it on her. Our guidelines only outline our general approach to compensation. We treat each case on its own merits, looking at an insurers actions and the impact of it on the particular consumer. In my opinion, the situation Mrs R had to deal with amounts to more than a single, minor mistake. Mrs R wasn't just inconvenienced. She was frustrated, confused, annoyed and upset by not being able to cancel online, by having to make the call, by its content and by the advisor's apparent inability to note her frustration and to empathise. So I think it would be fair and reasonable for Hastings to pay Mrs R £100 in total for distress and inconvenience.

In terms of the Consumer Duty, I think Hastings made errors and could have provided better support to Mrs R to make it easier for her to resolve the issue with the policy. But I'm satisfied that the sum I'm requiring Hastings to pay means Mrs R isn't disadvantaged.

My final decision

My final decision is that I uphold this complaint. I require Hastings Insurance Services Limited to pay Mrs R £100 in total for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 20 November 2024.

Susan Ewins

Ombudsman