

## The complaint

Mr and Mrs M complain about the way Hastings Insurance Services Limited handled their home insurance renewal (Hastings arranged cover for them, rather than providing it).

As Mr M has been the main correspondent on the complaint, for ease I've only referred to him in this decision.

## What happened

Mr M arranged his home insurance through Hastings. His policy was due to renew in February 2024 so Hastings provided a quote from Mr M's existing insurer, (I'll refer to as "A"). The quote was for around £1,900, an increase on the previous year's price of just under £500. Unhappy with the quote, Mr M said he called Hastings. As a result, he received a slightly reduced quote of around £1,700. Mr M remained unhappy so sourced insurance with another provider (who I'll refer to as "B") for £597.58.

Mr M said he called Hastings again to make sure the policy didn't automatically renew. When he did so Hastings said it could provide a quote from another insurer on its panel (I'll refer to them as "C"), it said that policy would cost Mr M £576.29.

Mr M complained to Hastings about how it had offered the renewal. He said if he'd been given the option of a policy at £576.29 when he called about the renewal, he wouldn't have been caused the inconvenience of sourcing a policy elsewhere. He wanted compensation for the inconvenience caused.

Hastings didn't think it had done anything wrong. It said it couldn't simply change the insurer on Mr M's behalf without doing what it referred to as a 'rebroke'.

Mr M remained unsatisfied and so referred his complaint to the Financial Ombudsman Service for an independent review. Our Investigator didn't think Hastings needed to pay any compensation. He said he hadn't been able to listen to the phone calls Mr M had referred to, but he didn't think Hastings had acted unfairly in only initially offering a renewal with his current insurer.

Unhappy with the Investigator's outcome, Mr M asked for an Ombudsman to consider matters. He thought it was unacceptable that Hastings couldn't provide recordings of his calls. As the matter hasn't been resolved, it has come to me to decide.

In September 2024 I issued a provisional decision on this complaint, a copy of my findings are below:

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*Having done so, I'm minded to uphold this complaint, and to decide that Hastings failed Mr M during the renewal process. However, I'll consider any further information either party provides before reaching my final decision.*

*The Insurance Conduct of Business Sourcebook (ICOBS) says a renewal is offered where the insurer will stay the same. So when Hastings initially contacted Mr M about his renewal, I consider it was right that it only offered insurance cover with A, like he'd had previously. Unfortunately for Mr M, it seems that A had considered his property as a higher flood risk*

than previously, which is why the premium was set to increase so much.

Mr M says he called Hastings about the quote, and it said it could reduce it to around £1,700. His point is that it should have, at that stage, told him it could have offered him cover with insurer C for £576.29. Hastings doesn't have any notes or recordings of that call. I don't know why that is, as I think a call must have taken place in order for a new, lower, quote to be provided. But as there is no record provided by Hastings, I don't know why it didn't offer, at that time, to do a rebroke with the other insurers on its panel. It seems to me – in the absence of any evidence from Hastings - this must be a failing, given it obviously can do it, as it did later when Mr M called to cancel.

I think, based on what I've seen, that if Hastings had offered to look for other insurers, Mr M would have taken it up on that offer. So I appreciate Mr M's disappointment and frustration. However, for me to ask Hastings to do anything differently, I'd need to be satisfied that any failure by Hastings in this respect had disadvantaged Mr M.

I've compared the three policies outlined above. Mr M has provided an overview of the policy he took out with insurer B, that seems to have included £500,000 of buildings cover, with alternative accommodation cover of £50,000. Whereas the one from A had £1,000,000 as the buildings sum insured. And insurer C was also offering the same level of buildings cover at £1,000,000. Both A and C also had a higher limit of alternative accommodation cover of £200,000. So it seems to me that insurer C was offering a policy around £20 cheaper than the one Mr M purchased, for a higher level of cover.

So I consider that had Hastings done a rebroke, as I'm minded to decide it should have done when Mr M contacted it (before taking out cover with B), I think it's likely he'd have taken out cover with insurer C, given it offered a very similar level of cover to his previous policy and he'd been happy with the price of that cover the year before. So, I intend to decide Hastings has caused him a financial loss here of £21.29.

I have worked that out as being the difference between what Mr M appears to have paid with B, and what C would have charged him for the total insurance, if he'd paid monthly. It isn't clear from what Mr M provided me about B's premium, how he paid for that policy (i.e., in full or monthly). But I've assumed, based on what I've seen, that he paid a total of £597.58 for it. And as C's quote has a monthly instalment set out, I've made an assumption that this is how that policy would have been paid, had it been taken out.

However, it might be that Mr M can show me he always paid his insurance upfront, in full, at the start of the policy. If that is the case, his insurance with C (had he taken it out) would have actually cost him £501.56. If Mr M can show he does pay in full, then it's likely I'll ask Hastings to pay £96.02 as the difference between what he paid B, and what he'd have paid with C. But I'll take into account any more comments I receive in relation to this, following my provisional decision.

It seems Mr M's policy with B has less cover than he'd have received with C. However, I don't think Hastings needs to take any further action in relation to this. Mr M had the option, having received the new quote for £576.29, to cancel the insurance he'd taken out with B. He'd have likely still been within the cooling off period to do so. Mr M says he was told of this option, but he didn't take it as he thought it might be difficult or time consuming to get his money back. That might have been the case, but I'm satisfied Hastings gave him the information he needed at that stage in order to make an informed decision. Which he did. So I can't reasonably hold it responsible for Mr M not changing his provider. Instead, I've thought about the inconvenience Hastings caused Mr M, when thinking about an award for distress and inconvenience.

*I'm satisfied Hastings has caused Mr M inconvenience in not doing a rebroke for him at an earlier stage. He had to take time to shop around and find insurance elsewhere, which he ultimately then paid more for, for what seems less cover. All of this will likely have caused unnecessary frustration. Having regard to our guidance on awards for distress and inconvenience, I'm minded to decide £200 would be fair and reasonable compensation.*

### *Responses to the provisional decision*

Hastings didn't provide a response to my provisional findings. Mr M provided a bank statement showing that he paid for the policy with C, in full when he took it out.

### **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.

Having done so and bearing in mind neither party has provided any further evidence or points for me to consider, I see no reason to depart from the findings set out in my provisional decision.

When working out the redress, in my provisional findings I'd said I didn't know how Mr M had paid for the policy he did take out (i.e. monthly or in full), so I didn't know exactly how much Hastings should refund him in order to put him back in the position he would have been in, but for its mistake. In response to my provisional findings, Mr M provided his bank statement showing he paid the policy taken out with B, in full at the start of the term. And the total cost of that insurance was £597.58. So I think it's reasonable to assume - especially in the absence of any information from Hastings - that had Hastings done a rebroke as I'm satisfied it should have, Mr M would have also paid for that policy (with C) in full upfront too. This would have cost him £501.56 (rather than the £576.29 he'd have paid if done by monthly instalments). So, I'm satisfied the loss Hastings caused Mr M was £96.02, which is the difference between what he paid, and what he would have paid, but for Hastings' mistake.

As Mr M has been without that money, Hastings will need to reimburse the £96.02, plus 8% simple interest per annum from the date he paid the new insurance (8 January 2024) until the date of settlement.

For the reasons set out in my provisional decision, Hastings will also need to pay Mr M £200 compensation for the unnecessary distress and inconvenience it caused Mr and Mrs M.

### **My final decision**

My final decision is that I uphold this complaint. And I direct Hastings Insurance Services Limited to:

- Refund Mr and Mrs M £96.02.
- Pay 8% simple interest on the above amount from the date the insurance was taken out (8 January 2024) until the date of settlement
- Pay Mr and Mrs M £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 6 November 2024.

Michelle Henderson  
**Ombudsman**