

The complaint

Mr L complains that Hastings Insurance Services Limited (trading as Hastings Direct) left him without motor insurance for five days.

Mr L's policy was sold and is administered by Hastings on behalf of his insurance company. The problem happened because of an error by Hastings, so Mr L's complaint is against Hastings rather than his insurer.

What happened

Mr L had a multi-car insurance policy to cover three cars, arranged through Hastings. The policy was due to renew on 11 April 2024. It sent him a renewal quote for this in March 2024.

On 16 April, Hastings called Mr L while he was at work. It told him "a system error" meant his policy hadn't been renewed and his insurer was no longer able to cover him. It told him he should find cover with another insurer.

After further discussions with Mr L, it wrote to him later that day. It confirmed it would renew his policy at £1,416 for the year. It later apologised for its mistake, said it would honour the March renewal quote (£1,238), and offered him £75 for the distress and inconvenience it had caused.

Mr L doesn't think this offer is enough to compensate him for the stress and inconvenience Hastings caused. He brought his complaint to this service.

Our investigator didn't recommend that the complaint should be upheld. He thought Hastings had acknowledged the inconvenience caused to Mr L. He thought its apology and redress was fair. Mr L didn't accept this, so the case was passed to me.

My provisional decision

I issued a provisional decision on this complaint on 4 December 2024. I said:

"Hastings' evidence to this service has been, at times, contradictory. For example, it initially told us Mr L 'had reinsured his cars elsewhere except one which he kept with us.' When we asked it to clarify the situation, it told us Mr L still had three policies 'in force'. Mr L confirmed all three cars remain insured through Hastings.

But what is clear is that Hastings only became aware of a problem on 12 April, after Mr L's insurance should have renewed. It told us 'the account had failed to bind and was stuck in quoting.' This meant Mr L's insurance hadn't been renewed. It didn't tell Mr L about this for another four days. I accept that Hastings says it was trying to fix the issue, but I still find this incredibly concerning.

Mr L's main concern appears to be that he and another named driver on the policy were driving while uninsured. He asked what would have happened if he'd had to make a claim. I think these are quite reasonable concerns. We asked Hastings about this. It told us:

- *If Mr L had made a claim anytime between 10 and 16 April 2024, it would have covered the claim.*
- *If the police had been involved, Hastings would have written Mr L a letter of indemnity to explain that it was responsible for him driving uninsured.*

So I'm satisfied that if anything bad had happened during the period Mr L wasn't insured, he and his family would have been covered as if they'd been insured.

I'm also glad that Hastings honoured the March 2024 renewal quotes for Mr L's new policies even though the multi-car policy was no longer available. This was £173 less than shown on his 16 April 'Welcome' letter. In the circumstances, I think it would have been unreasonable if it had done anything else.

However, I don't think Hastings' offer of £75 adequately reflects the severity of the situation or the distress it caused Mr L. I think it acted unreasonably by not telling him about the problem for four days, then telling him needed to "find alternative cover with another insurer". I can imagine this was an incredibly stressful morning for Mr L. Mr L told us he's self-employed and the time it took him to sort out the problem cost him money. We asked him about this, but he hasn't told us how much would cover the money he lost.

I've thought about the level of award this service in similar circumstances. Having done so, I think Hastings should pay Mr L £250 to cover any financial loss as well as the distress it caused him."

Responses to my provisional decision

Mr L accepted my provisional decision and had nothing to add.

Hastings said that, on review, it agreed that £250 was appropriate in this case. It told us it had already paid Mr L £75 so would pay him an additional £175.

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.

As both parties accepted my provisional decision and had no more comments, I uphold the complaint for the same reasons set out in my provisional decision.

My final decision

My final decision is that I uphold and order Hastings Insurance Services Limited to pay Mr L £250 to reflect the distress and inconvenience it caused him. If it has already paid Mr L £75, it can deduct this from my award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 15 January 2025.

Simon Begley
Ombudsman