

The complaint

Mr K complains about Hastings Insurance Services Limited (Hastings) cancelling his motor insurance policy.

Any reference to Hastings in this decision includes their agents.

This decision covers Mr K's complaint about Hastings as the broker through which he took out his motor insurance policy. It doesn't cover the insurer (underwriter) of the policy, who declined to provide cover when updated address and claim details were input to generate an updated quote for a policy.

What happened

In May 2024 Mr K contacted Hastings to tell them he needed to remove a vehicle from his motor insurance policy and advise them of a change in address. The call handler confirmed the changes had been made, but that was incorrect. The update to Mr K's address had only been made to his account with Hastings, not the policy itself, meaning his vehicle was still insured for the previous address. Mr K's policy came up for renewal shortly afterwards and Mr K discussed and agreed the renewal premium (£790.74). The policy renewed towards the end of May.

Mr K called Hastings the following month to correct his address but was told the change would mean an additional premium was payable. Mr K challenged this as he had told Hastings of the change of address before the policy renewed. Mr K followed this issue up again in August 2023. Hastings ran an updated quote using the correct address but found the underwriter wouldn't provide a quote with the new address (and a windscreen claim added that hadn't been recorded when the original policy renewal quote was issued).

Hastings looked into the matter and having listened to the relevant call recordings from May, accepted the call handler hadn't correctly updated Mr K's address. Hastings said that as the underwriter wouldn't accept the updated address, they would have to cancel the policy.

Mr K looked for alternative cover but found a new policy with a different insurer would be at a higher premium. Hastings said they wouldn't pay the difference in premium but would refund the premium on Mr K's renewed policy and pay £300 compensation for what had happened. They wouldn't refund the difference in policy premium as Mr K hadn't declared a windscreen damage claim that occurred just before his policy renewal.

Mr K challenged the cancellation of his policy and Hastings declining to cover the difference in his premium. He wanted Hastings to refund the premium for his policy (some £800), Hastings to pay for his new policy (£1,893.74) and compensation for the policy being mis-sold and the time he'd spent trying to resolve matters (£2,000).

Hastings treated Mr K's challenge as a complaint, which they upheld. They acknowledged the error they'd made when updating Mr K's address and that when they tried to make the change of address, the change was declined by the insurer. As the broker, Hastings weren't able to overturn the insurer's decision and so had to cancel the policy and refund the full

premium. Hastings also confirmed they couldn't refund the difference in premium paid by Mr K for his new policy as Mr K's details were different to those at renewal. Hastings also referred to the claim for windscreen damage immediately before policy renewal. In acknowledging the errors they'd made, Hastings confirmed they would refund the full premium for Mr K's policy once the policy was cancelled (they gave seven days' notice) and pay £300 compensation.

Mr K declined Hastings' offer of compensation and complained to this Service. He said he had been mis-sold his policy through Hastings, and he'd spent a significant amount of time trying to resolve the matter. He'd also have to take out a new policy at higher cost. This would cause him financial difficulty as well as the stress of knowing his vehicle had been parked outside what was an incorrectly recorded address. He said Hastings admitted fault on their part but weren't willing to make financial restitution to him. He wanted compensation for what happened.

Our investigator didn't uphold the complaint, concluding Hastings didn't need to take any action. She said Mr K had contacted Hastings on three occasions to make the change in his address but was told by Hastings that cover wouldn't be provided using the new details (at a reasonable price). She thought a policy with the correct address and windscreen claim would always have cost more, even had these details been correctly recorded by Hastings when Mr K first contacted them. So, it wouldn't be reasonable to ask Hastings to pay Mr K the difference in premium. Mr K had been on cover through Hastings between May 2024 and September 2024, which meant that a full refund of his premium in effect meant four to five months of free cover. And the £300 compensation was fair for the impact on Mr K.

Mr K disagreed with the investigator's view and requested an that an ombudsman review the complaint. So, the complaint has been passed to me to consider.

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.

My role here is to decide whether Hastings have acted fairly towards Mr K.

The key issue in Mr K's complaint is whether Hastings acted fairly and reasonably in cancelling his policy, following their accepted mistakes in not updating his address details correctly when he advised them of the change. Hastings don't dispute they didn't make the change correctly when they should have done, meaning the policy renewed with the incorrect address details. Mr K is unhappy the change wasn't made correctly and that he had a policy in place with the incorrect details. And as the insurer (underwriter) wouldn't provide cover when the correct address (and claim) details were input, he's had to seek cover elsewhere at much higher cost. Hastings acknowledge their mistake in not correctly updating Mr K's address details but believe their offer to refund his policy premium in full, together with £300 compensation, is fair and reasonable.

Looking at the evidence and information available, it's not disputed Hastings made an error in updating Mr K's address details when he contacted them to advise them of the change in May 2024 (though it appears they did correctly remove the vehicle Mr K advised needed to be removed). As a consequence, Mr K's policy renewed with incorrect address details.

As a general principle, policyholders are asked to check policy details when a policy renews, to ensure that all the details are correct. In this case it appears Mr K noticed the incorrect address details on his policy documents issued when the policy renewed and contacted

Hastings (initially in June 2024, then again in August 2024) to advise the address details were wrong.

At this point, it's important to note that the decision to either not offer cover on the basis of the updated address (or at an unreasonably high premium) was that of the policy insurer (underwriter) not Hastings. My understanding from what Hastings have told us is that the new address was on a new-build development still being built. So, there was no data on the address which in turn meant the quote was based on the highest assumed address risk. Which generated a quote above that which the insurer was willing to offer, so the response was a decline. That is a commercial decision for the insurer and not the responsibility of Hastings as the broker. From what I've seen from screenshots, the premium Mr K quotes (£1,893.74) wasn't significantly different from other quotes from other insurers.

It's also not possible to know whether the same decline of cover (or significantly higher premium) would have happened had Hastings correctly updated Mr K's address details when he first contacted them in May 2024. But it seems unlikely a quote using the same change of address (and lack of data on the address) wouldn't have produced a similar outcome three months previous to when the correct address details were input. There's also the impact of the windscreen claim that occurred two or three days before Mr K first contacted Hastings in May 2024. Again, it's not possible to determine what impact this may have had on the original policy renewal – but again that would be an issue for the policy insurer (underwriter), not Hastings as the broker.

In the circumstances, I've concluded it was unreasonable for Hastings to give notice of cancellation of Mr K's policy, so he had the opportunity to seek alternative cover (with the correct address details). And while the premiums quoted were substantially higher than the renewal premium he'd paid, as they were commercial decisions for the respective insurers providing the quotes, I can't reasonably hold Hastings responsible for them, or ask them to reimburse Mr K for them.

Hastings have offered to refund the full premium paid for the renewal of his policy in May 2024, which means Mr K will have received (in effect) free cover from the policy renewal through to the cancellation of his policy. And he made no claim during the period. I think that's a fair and reasonable offer in the circumstances.

Mr K also asked for compensation for the inconvenience he's suffered from what happened. Hastings not updating his address correctly when he first contacted them meant he had to contact them subsequently in June and then again in August. I can also see correspondence between Mr K and Hastings over the period, which would have taken time and effort correcting something that should have been actioned in May. I also understand the concern Mr K would have felt having a policy with an incorrect address recorded.

Considering the circumstances of the case and the published guidelines on awards for distress and inconvenience from this Service, I think Hastings award of £300 compensation is fair and reasonable, so I won't be asking them to make a further award.

Taken together, I've concluded Hastings have acted fairly and reasonably, so I won't be asking them to take any further action.

My final decision

For the reasons set out above, my final decision is that I don't uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 18 March 2025.

Paul King
Ombudsman