

## **The complaint**

Mr Y complains about how Hastings Insurance Services Limited administered a payment plan to clear a debt he owed for his motor insurance policy. He wants additional compensation for the stress and inconvenience this caused.

## **What happened**

Mr Y agreed a payment plan with Hastings to clear an outstanding balance for his policy. But Hastings agreed that it made repeated errors in administering the payment plan. These included not taking agreed payments when it said it would, wrongly referring the debt to a collection agency several times, not contacting Mr Y to resolve the issues and causing avoidable delays in dealing with the issues.

Hastings paid Mr Y £85 compensation and waived the outstanding £385.92 Mr Y owed to acknowledge the trouble and upset it had caused. However, Mr Y didn't think this was sufficient compensation for the distress and inconvenience caused to him and his partner, a named driver on the policy.

Our Investigator didn't recommend that the complaint should be upheld. He agreed that Hastings had acted unfairly and unreasonably when it administered Mr Y's payment plan. But he thought the total of £470 compensation it had paid Mr Y was sufficient for the significant impact of its errors. So he didn't think it needed to do anything further.

Mr Y replied asking for an Ombudsman's review, so his complaint has come to me for a final decision. Mr Y said the repeated errors over several months had caused him stress and anxiety and he had to take time off work due to this. He said his partner had to contact Hastings every month to ensure that issues were resolved. He thought Hastings should pay him further compensation.

## **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.

Mr Y has explained that Hastings' errors caused him considerable anxiety and he lost work as a result. I was sorry to hear about this. And I can see that Hastings has agreed that it made repeated errors in managing his payment plan.

Mr Y said there had been a further error after Hastings' last response to his complaints. But I can't consider that here as Mr Y would have to firstly raise this with Hastings to give it a chance to respond. So I've looked at Hastings' responses to his complaints that it has already considered. The errors were:

- It didn't contact Mr Y to ask for details of his debit card to set up a new payment plan;
- It referred the debt to a collection agency prematurely;
- It didn't follow its own processes for setting up a new payment plan;
- It didn't act to set up a new plan and so the debt was again referred for collection;
- It tried to take a monthly payment which it had agreed to waive;

- It didn't then collect a monthly payment according to the planned schedule;
- It wrongly referred the debt to collections a third time.

When a business makes mistakes, as Hastings accepts it has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the error had on the consumer.

To put things right for Mr Y, Hastings waived the outstanding balance on his debt. And it has assured us that there should be no adverse entries on Mr Y's credit record. So I can't see that Hastings' errors caused Mr Y any detriment to his position.

But Mr Y had significant worry and stress over six months. He's explained that he suffers from anxiety, and he had to take some days off work. He said his partner had to take over contacting Hastings to spare him the anxiety. I have no doubt that Hastings' handling of the payment plan caused Mr Y a significant amount of trouble and upset. And I would expect Hastings to reasonably compensate Mr Y for the impact of its repeated errors.

Hastings compensated Mr Y by waiving £385.92 of debt and paying him £85. So the total compensation was £470.92. I can understand that Mr Y feels that this was insufficient for his worry over six months. But I'm satisfied that this compensation is in keeping with our published guidance for the impact of Hastings' errors. And so I think it's fair and reasonable and I don't require Hastings to increase this.

### **My final decision**

For the reasons given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 17 April 2025.

Phillip Berechree  
**Ombudsman**