

## **The complaint**

Mr S has complained about the service provided by his motor insurance broker, Hedgehog Limited ('Hedgehog'), after he took out a policy through it.

## **What happened**

I issued a provisional decision regarding this complaint last month and said that I was considering upholding it and awarding Mr S £100 compensation. An extract from that decision follows:

*"In September 2024 Mr S took out an insurance policy for his car through Hedgehog who is an insurance intermediary/broker.*

*When Mr S received his policy documents, he said he noticed that some of the information populated on the statement of fact was incorrect and not as per his proposal form. This included the number of cars he has access to and the type of usage he had requested. He said he wanted the car for business use but not for commuting.*

*Hedgehog confirmed that it referred the matter to its developers. It added that the initial quote it provided included business use and that it would cost an additional £30 to remove.*

*Mr S responded to confirm that he did wish to have business use for himself but not for the named driver. Hedgehog proceeded to charge Mr S £30 to remove business use from his policy.*

*Hedgehog then waived the £30 fee and acknowledged it had made an error. It asked Mr S to confirm that he did still want business use but not commuting. It said that in order to add this back on the policy it would charge Mr S an additional £29.43. It asked Mr S to confirm how he went to work and where he parked his car. Mr S confirmed he used public transport, and that the car was parked near his home.*

*Mr S wasn't happy with Hedgehog's service and the multiple errors it had made and complained. He said that none of the information he was providing was different to the information provided when he took the policy out. He asked for a £50 goodwill payment for the time it was taking for the errors to be corrected.*

*Hedgehog said that when Mr S took the policy out he said that the car was kept at his address but has since said that it was parked away from his home. It said it would need to update his policy to reflect this. It added that it was still looking into the issues with the statement of fact and it was still waiting to hear from its underwriting team about changing*

*the car usage to business use. It said this would be a mid-term adjustment but it was looking to see if this could be done with no charge to Mr S.*

*Mr S responded to say the car was parked at a street near his home. Mr S said he felt that Hedgehog was in breach of its contract with him by taking his money and providing a statement of fact that did not reflect what was on his proposal form. He said he wanted to cancel his policy and that he had tried to cancel it through Hedgehog's website but wasn't able to. He asked for a full premium refund which came to £671.67 plus £104.31 which was the extra amount he paid to take out a new policy, plus a £50 goodwill gesture.*

*Hedgehog said it would issue a full refund with all fees waived as a goodwill gesture. It said that it was still investigating the issue with the access to other cars. It also confirmed that its agents misunderstood Mr S's email that he didn't need commuting cover and apologised for the mistake. It said it was happy to continue cover and add business use at no cost. A cancellation would normally attract a £60 cancellation fee and a non-refundable business arrangement fee of £30 but Hedgehog agreed to waive these fees. It said it wouldn't pay any further compensation to Mr S in light of this and also as it was Mr S's own decision to cancel.*

*Mr S then brought his complaint to our organisation. He said he wanted a full refund of all the payments Hedgehog had taken from him plus the £104.31 extra premium he paid to his new insurer. He also asked for compensation for the distress and inconvenience he was caused and suggested £100.*

*Hedgehog said Mr S didn't wait for it to cancel the policy and refund his premium and did this through his bank which cost it a further £30. It said it had waived over £100 in fees overall which it feels is fair and reasonable.*

*One of our investigators reviewed the complaint but didn't think Hedgehog needed to take further action.*

*Mr S didn't agree and asked for an ombudsman's decision. He said he didn't accept that Hedgehog shouldn't pay anything for its errors, the inconvenience and financial loss it caused him.*

*The matter was then passed to me to decide.*

### ***What I've provisionally 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.*

*Hedgehog has acknowledged that it made a number of errors. It said its agent misread Mr S's email and thought he was asking for business use to be removed as he didn't require cover for commuting. And this resulted in a £30 charge which was later waived. It said re-adding business use would've cost £29.43 and that it contacted the underwriters to see if this could be processed with no charge. It also accepts that when Mr S said the car was parked at a street near his home address overnight, it thought it was parked away from the home address which required another change in the policy which meant a potential adjustment in the total premium.*

*From what I have seen, on balance, I don't think Mr S made any errors in his policy application. The errors which were made seem to have been made by Hedgehog in the statement of fact and also in subsequent emails where it misunderstood what Mr S said about requiring business use and where he parked his car. Having seen the emails I think these errors were purely due to Hedgehog misinterpreting what Mr S was saying and not due to anything Mr S had said or failed to say. I think Mr S was always very clear about what he was asking.*

*I can see Mr S's frustration and understand why he eventually chose to cancel his policy. The errors he highlighted at the start were not rectified and, in fact, new ones were created due to Hedgehog misunderstanding Mr S's emails. In the circumstances I don't think it would have been reasonable for Hedgehog to charge any cancellation or mid-term adjustment fees.*

*It follows that I don't think Hedgehog waiving fees which I don't think it could have fairly charged in the first place is adequate compensation for Mr S. I think it should pay him £100 for the distress and inconvenience it caused him as none of their exchanges would have taken place had the information Mr S inputted in his application been correctly reflected in the statement of fact document.*

*Mr S said he took out another policy which cost more than the one he took out through Hedgehog. As I said above, I can understand why he was so frustrated that he ended up cancelling the policy. But at the same time, I agree with Hedgehog that it was his decision to do so before it completed its investigation into the errors that were made and so I don't think it should pay the difference in the cost between the two policies.*

*For completeness, I will say that I note that Mr S has now had his premium refund so I won't ask Hedgehog to pay this. But if this isn't the case, the parties can let me know when they respond to this decision."*

Both parties responded to my provisional decision with Hedgehog accepting it and Mr S providing some additional comments. Mr S asked me to consider awarding at least part of the £104.31 extra premium he had to pay. He said that this was because he had to take out another policy two weeks closer to his renewal date which meant he received a less favourable quotation. He said it is accepted within insurance that the best quotes are provided around one month before the renewal date and rise as it gets closer to renewal.

### **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, I am not minded to change the findings I made in my provisional decision. Mr S said that Hedgehog's actions put him at a disadvantage because he delayed renewing his policy which meant that he had to accept a more expensive quote. As I said in my provisional decision, I understand Mr S's frustration with Hedgehog but I also recognise that it was his decision to take out a policy through another provider while Hedgehog was still investigating his complaints. It may be that Hedgehog could have honoured the original quote so I don't think it is fair and reasonable to now ask it to pay the extra premium Mr S

paid.

The rest of my findings remain the same as they were in my provisional decision and now form the findings of this, my final decision.

### **My final decision**

For the reasons above, I have decided to uphold this complaint. Hedgehog Limited must pay Mr S £100 compensation for the distress and inconvenience it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 8 May 2025.

Anastasia Serdari  
**Ombudsman**