

The complaint

Mr W complains that Hastings Insurance Services Limited (Hastings) delayed the closure of a claim he'd made against his car insurance policy, and this caused him both distress and inconvenience.

What happened

The events which led up to this complaint are well known to both parties, so I'll give just a broad overview here.

In December 2023, Mr W's car was involved in an accident which damaged his vehicle. Hastings didn't think it was Mr W's fault so, after paying for the repairs to Mr W's car, chased the third-party insurer for payment.

After having received no response by May 2024, Hastings instructed solicitors to recover the funds. The solicitors successfully recovered the funds on 25 September 2024 but sent Hastings more funds than it was expecting.

Hastings asked for a breakdown of the funds sent by the solicitors, so it could close the claim, and contacted them on 8 October and 30 October 2024 for an answer. On 16 November 2024, Hastings sent Mr W a renewal quote for his insurance. This showed a new premium of £3,917.69 compared to his current premium of £2,780.83. The increase was negatively affected by the outstanding claim.

Mr W contacted Hastings on 18 November 2024 to complain about progress and communication on the claim and the cost of the renewal quote. Mr W told Hastings he'd contacted the solicitors directly and been told the claim had been settled and closed. Hastings explained the costs had been recovered from the third-party insurer, but they were still trying to understand the breakdown of the funds it had been sent. Hastings also agreed to refund Mr W's excess that day.

Hastings issued a response to Mr W's complaint on 4 December 2024. It agreed that it should have done more to chase the solicitors for the funds breakdown so it could have closed the claim earlier. Hastings noted that Mr W didn't want to accept its revised renewal quote of £3,048.98 as he'd received a cheaper quote elsewhere. In summary, it upheld the complaint and offered £75 for the delays in chasing the solicitors and the impact this had on Mr W.

Mr W wasn't happy so brought his complaint to this Service. In response to our information requests, Hastings reflected on the complaint and increased its offer to £150. It said it hadn't been fully aware of the impact the delays had on Mr W and thought this higher award was justified. It also apologised to Mr W for the trouble and upset it had caused.

Our Investigator reviewed the complaint and thought this higher offer was fair and was in line with the size of compensation payments she'd expect for this type of error and impact. Mr W still wasn't happy, so the complaint has been passed to me for a final decision.

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.

The events surrounding this complaint don't appear to be in dispute so it's my role to decide if the level of award Hastings have offered Mr W for its errors is fair and reasonable.

I've first considered the actions Hastings took over the course of the claim. Having looked at the evidence I think Hastings acted correctly up until the 25 September when the solicitors returned funds from the third party insurer. While this was nine months from the date of the accident this timescale isn't unusual in this type of case, especially where there is a need to involve solicitors.

But from 25 September to 18 November 2024, I do think Hastings' communication to Mr W was poor. Not only did it take more time than I think was necessary to obtain what appears to be administrative information I also can't find any evidence of Hastings proactively contacting Mr W to provide an update. It also sent Mr W a renewal quote which didn't reflect accurately the true level of risk Mr W posed. Hastings was aware at the point of renewal that funds had been returned, and the claim was to all intents and purposes closed, but this wasn't reflected in the quote sent to Mr W.

So, given these errors I need to consider the impact they will have had on Mr W.

Mr W has said that he contacted Hastings on many occasions between September and November and wasn't given a clear update on the case. He says Hastings told him the claim was still unresolved and didn't explain the full details or what was outstanding. Mr W also says that it was only when he contacted the solicitors directly that the issue was resolved. Mr W says that because of the impact the outstanding claim would have on the renewal cost of his insurance he tried to sell his car. And as he worked thirty miles from home this would have a significant impact on him. Mr W says the financial worry caused him considerable stress and anxiety.

I have every sympathy with Mr W. His insurance premium was considerable, and he needed his car for work so to be unsure of its affordability would undoubtedly have had an impact on him.

But when considering what is a fair and reasonable level of compensation, I need to consider what did happen and not what might have happened. And I've seen no evidence that Mr W suffered a direct financial loss from the errors Hastings made.

I do think Mr W will have suffered anxiety over this matter and was also put to the trouble of trying to sell his car.

I'm pleased to see that Hastings have acknowledged these errors and in addition to £150 have offered its apologies for the trouble and upset caused.

I think this is fair and reasonable and I'll explain why.

The errors Hastings made were to fail to chase the solicitors in a timely and effective manner for the outstanding information, to fail to update Mr W, and to send out a renewal quote which hadn't been correctly assessed. Mr W then had to make a number of phone calls to resolve the issue.

The guidance at this Service describes the level of £150 compensation as fair if it represents a business making, 'repeated small errors or a larger single mistake, requiring a reasonable

effort to sort out'. And I think this pattern of errors made by Hastings and the action Mr W had to take to resolve them broadly fits this definition.

In summary, I agree that Hastings made errors when handling Mr W's claim and think the £150 compensation and apology offered is a fair and reasonable resolution.

My final decision

For the reasons given above I uphold this complaint. I require Hastings Insurance Services Limited to pay Mr W £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 9 June 2025.

Ben Castell
Ombudsman