DRN-5525981

The complaint

Mr C and Mrs M are unhappy that Hastings Insurance Services Limited ("Hastings"), who were acting as their broker, declined to renew their house insurance and were unable to provide them with justification from their panel of insurers.

What happened

Hastings had acted for Mr C and Mrs M for the previous couple of years in arranging home insurance for them using its panel of insurers. Mr C and Mrs M policy was set up with an automatic renewal, so their expectation was that the policy would be re-activated this time around without any issues.

Hastings wrote to Mr C and Mrs M ahead of the renewal date and informed them that it wouldn't be able to renew their policy using their panel of insurers.

Mr C and Mrs M thought this was unfair. Mr C and Mrs M said Hastings provided no explanation why their policy wasn't renewing. They said there was no change to their home or personal circumstances to justify why they hadn't been offered cover. Mr C and Mrs M said they need *"to know the reasons in case [Hastings] have either incorrect information on [its] files or something correct that may affect other financial actions that [we] need to address".*

Mr C and Mrs M said they've arranged alternative cover with another insurer, but are unsure if they've paid over the odds.

Our investigator decided not to uphold the complaint. He thinks Hastings acted reasonably in its role of broker and provided Mr C and Mrs M the information to help explain the decision of its panel of insurers. Mr C and Mrs M disagreed, so the case has been referred to an ombudsman.

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.

I understand the decision by Hastings' panel of insurers not to provide a policy on similar terms and conditions is disappointing for Mr C and Mrs M. However, I don't think Hastings has done anything wrong or differently to what I would've expected. Therefore, I don't uphold this complaint. I know this will be frustrating for Mr C and Mrs M, so I'll briefly explain why I have reached this decision.

I think it's important to clarify the role of broker and insurer to set the context why I don't think Hastings has done anything wrong. The role of the broker is to arrange / sell the policy and to administer it during its term. The broker acts as an intermediary between the consumer / policyholder and the insurer. Whereas the insurers' role is to set the parameters of what cover it's willing to offer and at what price, by considering the risk it is prepared to take in offering cover and potentially pay out in claims.

A broker will normally work with a few insurers, sometimes referred to as a panel of insurers (or underwriters). Essentially, these are businesses that have agreed commercial partnerships in selling customers insurance.

I've reviewed the information provided by Hastings to ascertain what happened.

Using the information Mr C and Mrs M had previously provided Hastings to secure insurance previously, Hastings approached its panel of insurers to see whether any of them could offer a similar policy that met Mr C and Mrs M's needs and to ascertain the price of the cover. This process is routine when renewal terms are offered and normally a customer would be issued with a new offer of insurance. Under the automatic renewal, this would be seamless to the customer.

Unfortunately, none of the insurers on the panel were able to offer cover to Mr C and Mrs M in this latest year, even though Mr C and Mrs M's circumstances hadn't changed. I can see that Hastings explained to Mr C and Mrs M in its correspondence that this was extremely rare. However, it can happen.

Insurers review their underwriting guidelines regularly – as a business they make commercial decisions on what risk they are prepared to take. This is an ongoing process. An insurer may decide it wishes to stop offering products in a certain post code or for a certain demographic. For example, risk of theft or flooding may have statistically increased in a certain area, or an insurer may have decided that it has had to pay out a large amount for claims where customers have flat roofs. So, in these examples, as insurer may decide to decrease the risk it takes on by not offering policies in these circumstances, even though it may seem to the policyholder that nothing has changed. This may well still be the case, even if the consumer has an excellent credit rating and no criminal background.

These are commercial decisions that insurers are entitled to make. It means that products offered in one year may not be offered in the following year. Hastings sought insurance for Mr C and Mrs M from the insurers it works with, but given their circumstances it was unable to arrange cover for them.

I've reviewed the communication that Hastings provided for this outcome to Mr C and Mrs M. I can see that they were provided notice of the situation a few weeks before their policy expired, so I think it has given fair notice in order to allow Mr C and Mrs M to act and seek out new cover. I can also see it has explained, that although Mr C and Mrs M haven't been offered insurance it wasn't something that would be recorded and it wouldn't work against them when seeking out other insurance. And whilst, Hastings didn't share the specific reason for the policy not been offered, it did offer a generic explanation as to the kind of reasons why it wasn't. I think this was reasonable, given it couldn't share specific commercial information from each insurer.

I appreciate Mr C and Mrs M thinks the commercial information is information about them, so they think it's their decision whether it's shared. But, the sensitivity of the information is more about exposing a specific insurer's commercial risk appetite. There is no need for an insurer to share this. It certainly isn't Hastings responsibility to share an insurer's commercial positioning. However, I do think it tried to explain the sort of reasons that may come into play, which I think is reasonable.

Mr C and Mrs M said they don't know if they paid over the odds for their new policy. As Hastings weren't involved in this process, I don't think it would either. However, if Mr C and Mrs M used a comparative tool at the time, I think they would have had access to the market rates for insurance and so could make an assessment whether the price they were offered was fair.

Mr C and Mrs M has asked specifically about whether the Consumer Rights Act 2015 applies. Normally that would apply to any tangible moveable items (e.g. furniture, car, TV etc). My remit is to consider the case under the jurisdiction and rules set out by Financial Conduct Authority (FCA) and to reach a decision that is fair and reasonable. That is what I've done. I think Hastings has acted fairly and I think it has carried out its duties in a reasonable manner.

My final decision

My final decision is that I don't uphold this complaint. I don't require Hastings Insurance Services Limited to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs M to accept or reject my decision before 28 August 2025.

Pete Averill
Ombudsman