DRN-5571667

The complaint

Mr W complains about the level of service provided by Hastings Insurance Services Limited when he tried to transfer No Claims Discount (NCD) years from another motor insurance policy. He said this had affected his policy premium.

What happened

Mr W had one car insured through Hastings with 3 years' NCD. He sold another car insured elsewhere and he contacted Hastings to transfer the accumulated 11 years' NCD to its policy. Hastings had trouble reviewing Mr W's NCD, but it finally said the proof of NCD would be added to his policy and considered at renewal.

But in the renewal invite Mr W found that he had just 4 years' NCD. Hastings said he should call it to make any policy amendments. But Mr W didn't do this as he said Hastings' email said the NCD would be considered at renewal. But this didn't happen. Mr W complained and Hastings offered him £50 compensation for its handling of his complaint and for not adding the proof of NCD to his policy. But Mr W said he didn't receive the cheque.

Mr W wanted this payment and further compensation for the trouble and upset caused by Hastings' poor communication and misleading information. He also wanted the NCD corrected and compensation for the effect on his premium.

Our Investigator recommended that the complaint should be upheld. He thought both parties had contributed to the communication issues about the NCD transfer. But he thought Hastings had provided Mr W with contradictory and misleading information about its processes. He thought a telephone call, made by either side, could have avoided the issue.

But he thought Hastings should increase its offer of compensation to £250 for the trouble and upset caused. And in the spirit of good customer service he thought it should call Mr W to discuss how to add the NCD to his policy mid-term and consider the effect on his premium from renewal.

Hastings replied that it agreed that its communication could have been better, and it should have explained why Mr W needed to call it about the NCD. It offered to increase the compensation to £100. But Mr W was unhappy with this as he felt it didn't recognise the time, effort and stress that he, the layman, had spent on this matter and the financial impact of its error. And he wanted Hastings to acknowledge that his NCD needed to be updated.

Hastings replied further questioning whether Mr W was already using the NCD years on another policy for the car he said had been sold. It offered to reconsider adding the NCD years to his policy if he provided proof that he wasn't using them already. Mr W replied with proof that the car was insured elsewhere by another family member.

Hastings replied that much confusion could have been avoided if Mr W had provided this information earlier. It offered to increase the compensation to £150. But Mr W remained unhappy.

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 can understand that Mr W feels frustrated with the level of service provided by Hastings. He thought he was making a simple amendment to his policy. But, over a year later, the matter has yet to be resolved.

The initial problems arose when Mr W wanted to add NCD years he had accumulated on another policy for another car to his policy taken out through Hastings. Hastings required proof of his NCD. Mr W provided this in the form of a renewal invite, but Hastings said it wasn't able to view it.

Mr W resent the proof in the same format. Hastings said it had received this and added it to the policy. It also said that the proof didn't show that the policy had ended, showing that it had opened and read the document. But Mr W had also provided evidence that the policy had been cancelled. So I think this should have been sufficient for Hastings' purposes.

Hastings said the documents would be considered at renewal. I don't think it's unusual for the extra NCD not to be added to the current year mid-term as the contract has already been agreed. And so I think it was fair and reasonable for Hastings to say the extra NCD years would be applied at the renewal. But it didn't explain to Mr W that the years couldn't be added mid-term.

When Mr W's renewal letter arrived, the additional years hadn't been applied. Mr W contacted Hastings, and it said it required him to call it to make the policy amendment as this couldn't be done by email. Hastings later told us that its service is automated, and it doesn't make outgoing calls, so it relied on Mr W calling it. But I can't see that this was explained to Mr W at the time. So Mr W didn't call Hastings, and he still thought the extra years would be added at renewal. But they weren't.

Mr W thought Hastings hadn't complied with the relevant regulations to provide clear and not misleading communication, and to provide a fair outcome. And Hastings agrees that its communication with Mr W had been unclear. And I think the points I've made above confirm that Hastings' communications could have been clearer and more helpful in making Mr W aware of its processes and the requirements at renewal.

When a business makes a mistake, 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.

The additional NCD years weren't added to Mr W's policy and weren't considered at the renewal of the policy. I can't see whether this would have affected his renewal premium or not.

And so I think Hastings should now act to add the NCD years to Mr W's policy and reconsider the effect on the policy premium charged at renewal. I can't require Hastings to add the NCD years mid-term as they are discretionary. But I agree with the Investigator that it should consider what needs to be done to provide good customer service to Mr W. I think that will restore Mr W's position as far it's possible to do so.

Hastings has paid Mr W £50 compensation for not raising his complaint when he first made it and for not adding the NCD years to his policy. It's now offered to increase this compensation to £150. But I'm not satisfied that this goes far enough in the circumstances as I think Hastings caused Mr W considerable trouble and frustration for over a year:

- It required him to repeatedly send his proof of NCD when he had already sent this and it had already accessed it, causing Mr W trouble and frustration.
- It said the additional NCD would be considered at renewal, when this wasn't the case, falsely raising Mr W's expectations.
- It didn't explain why the NCD years couldn't be added mid-term and why Mr W would

need to call it at renewal, failing in its duty to provide clear communication about its processes.

- It lately asked for proof that Mr W wasn't still using the NCD years on his car. This was more than a year after Mr W had said he had sold the car. Mr W was able to provide evidence that the car was owned and insured by a family member. But I think Hastings could have asked for this a year earlier and it has caused Mr W additional trouble and frustration.

The Investigator recommended that Hastings should increase its offer of compensation to £250 to recognise the impact of these errors. And I think that's fair and reasonable as it's in keeping with our published guidance.

Putting things right

I require Hastings Insurance Services Limited to do the following:

1. Add the additional NCD years to Mr W's policy and reconsider the effect on the policy premium charged at renewal, as it's already agreed to do.
2. Pay Mr W £200 further compensation (£250 in total) for the distress and inconvenience caused by its level of service.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require Hastings Insurance Services Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 5 August 2025.

Phillip Berechree
Ombudsman