

The complaint

Mr A has complained that Hastings Insurance Services Limited trading as Hastings Direct (HISL) provided misleading information which affected his decision to buy a car insurance policy with it.

What happened

Mr A bought a car insurance policy through the broker HISL. He added a tow bar to his vehicle. He says he bought the policy through HISL specifically because of information it held on its website about the likelihood of paying a lower premium for this modification.

When Mr A contacted HISL to update his policy with the addition of a tow bar, he was charged an additional premium by the insurer and an administration fee. The additional premium was £35.76 with an administration fee of £20, so a total of £55.76.

Mr A complained to HISL as he didn't expect his premium to increase. He expected it to go down. But HISL didn't uphold Mr A's complaint. So Mr A asked us to look at his complaint.

HISL told us it had reviewed Mr A's complaint and now upheld it. It said it agreed its website was misleading as it told customers that adding a towbar to their vehicle could lead to a reduction in premiums.

To put things right, HISL said it would update its website to make it clearer and it would refund Mr A the premium and administration fee of £55.76 for the loss of expectation.

Mr A says this isn't enough to resolve his complaint. He wants compensation for the time he spent having to raise his complaint. He says HISL didn't uphold his complaint – it only changed its decision when he brought his complaint to us.

I issued a provisional decision on 25 September 2025. I intended to ask HISL to pay Mr A £75 compensation for the distress and inconvenience its misleading information caused. I said if HISL hadn't already paid, it should refund the additional premium and administration fee for adding the tow bar modification to his policy.

Both parties accepted my provisional decision. Mr A wants 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.

HISL's website said the following:

"What modifications can reduce your insurance premiums?"

In most cases, a modification will mean a rise in your insurance premiums - particularly if you've managed to increase the value of your car or made it more expensive to repair.

But it works both ways, - you can also lower the risk in the eyes of the insurer.

Changes that boost your car's security and safety could help to lower your premium.

Here are just three modifications that could bring down the cost of your car insurance.

Security features. Industry-approved alarms, immobilisers and tracking devices are found to be effective at deterring thieves – insurers can reflect this with a discount on cover.

Parking sensors. Parking sensors help to stop you from hitting another car or object reducing your risk of an accident.

Tow bar. If you've fitted a tow bar to your vehicle there's an assumption that you've done so to pull a caravan trailer or horsebox. With one of these you're more likely to drive cautiously and carefully, reducing your risk on the road."

There's no dispute that HISL didn't uphold Mr A's complaint. On review, HISL accepts that it should have upheld the complaint. It said;

"We have reviewed the information on our website and agree that it is misleading to our customers, as it does mention there could be a reduction in premium when adding a towbar.

We will be amending this section of our website to make it clearer, as we recognise this caused confusion."

So I've looked at whether what HISL has done enough to resolve Mr A's complaint.

I think HISL's offer to provide a premium refund for what Mr A paid when he added the modification to his car insurance policy is a good starting point. But the information on HISL's website indicated that Mr A's premium would go down, not remain the same. And while this wasn't a guarantee, it is accepted that the website was misleading.

So I think HISL should pay Mr A compensation of £75 for the distress and inconvenience its misleading information caused. I can understand why Mr A was upset when HISL said he would need to pay more, not less by adding a towbar to his vehicle. So I think this is a fair outcome to resolve Mr A's complaint.

As the Investigator explained, we cannot look at the way HISL handled Mr A's complaint. The Financial Conduct Authority (FCA) sets out what are called regulated activities – which are activities we can look at. Complaints handling is not a regulated activity. Further information can be found under the Dispute Resolution Rules on the FCA's website under <https://handbook.fca.org.uk/handbook/disp2/disp2s3?timeline=true>

So while I understand Mr A spent time raising his complaint with HISL, and bringing it to us, I cannot award compensation for this time as it relates to the handling of his complaint by HISL.

My final decision

My final decision is the same as my provisional decision as both parties accept. I uphold this complaint. I require Hastings Insurance Services Limited trading as Hastings Direct to do the following:

- Pay Mr A £75 compensation for the distress and inconvenience caused by the misleading information on its website.
- If it hasn't already done so, provide Mr A with a refund of the additional premium and administration fee charged for adding a tow bar modification to his policy.
- Hastings Insurance Services Limited trading as Hastings Direct must pay the compensation within 28 days of the date on which we tell it Mr A accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

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

Geraldine Newbold
Ombudsman