

complaint

Mr M's unhappy about the way Hastings Insurance Services Limited (trading as Hastings Direct) cancelled his motor insurance policy and treated him when a direct debit wasn't honoured.

background

Hastings Direct accepts it gave Mr M some wrong information, took money from his account and then refunded it without explanation and that there were delays in dealing with the complaint. It's offered to pay Mr M a total of £145 to resolve matters.

Mr M says his direct debit wasn't honoured because of some unexpected expenditure on his bank account. He's unhappy Hastings Direct didn't tell him or represent it. As a result it cancelled his policy. And as he was on holiday he only found out three weeks later and he says it then took about another eight weeks to sort out. This meant he was without cover for some twelve weeks. He doesn't think Hastings Direct's offer to pay him £145 is enough.

Our investigator felt this complaint shouldn't be upheld. He said:

- The payment due on 18 September 2016 wasn't honoured by Mr M's bank. Hastings Direct wrote to say it would attempt to take the payment from his debit card. But that also failed.
- The policy was cancelled on 4 October 2016 and a letter was sent to Mr M conforming this. He called on 6 October 2016 and Hastings Direct confirmed the policy had been cancelled. Hastings Direct says it offered to set up a new policy but Mr M declined this offer.
- Another payment collection was attempted on 10 October 2016 and then refunded a couple of days later.
- Hastings admits it cannot explain some of its failings. But it's paid a total of £145 for failing to call Mr M back, collecting and refunding a sum in error and the delay in dealing with the complaint.
- Mr M was aware the policy had been cancelled a couple of days afterwards and didn't agree to a new one being set up. He arranged a replacement policy effective on 14 November 2016. Hastings Direct wasn't liable for that delay. Mr M shouldn't be paid more compensation for this delay.
- Hastings Direct's original offer and payment of £145 compensation is a fair resolution of this complaint.

Mr M doesn't agree and has asked for an ombudsman review. In summary he says Hastings Direct should've represented the payment. It has a duty of care to talk to him about this.

Our investigator replied that Mr M saw the letter when he returned from holiday only two days later. So, there was no undue delay. From that date onwards Mr M could've insured the vehicle elsewhere. He can't blame Hastings Direct if he chose to drive while uninsured as he was aware the policy had been cancelled.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I agree with the adjudicator's conclusions for the same reasons.

I don't think Hastings was obliged to try to take the direct debit again. But it says it did try to take the payment from Mr M's debit card. That was reasonable. Even so that payment request failed.

Hastings Direct accepts its service could've been better at times and in some respects. Taking everything into account, including the level of awards we make, I think its payment to Mr M of £145 compensation for this is fair. And I don't think I can reasonably ask it to pay or do more.

Overall, although I recognise Mr M's strength of feeling, I don't see any compelling reason to change the proposed outcome in this case.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 April 2017.

Stephen Cooper
ombudsman