

complaint

Mr R complains that Hastings Insurance Services Limited have charged him an additional premium for his motor insurance policy.

background

Mr R took out his first motor insurance policy with Hastings in January 2016. Mr R applied for the policy online and was directed to Hastings' website via a price comparison website. Having obtained the online quote, Mr R telephoned Hastings to complete the sale and pay the premium by credit card.

Because the policy was 'new business' for Hastings it carried out some validation checks shortly after the policy started. Hastings discovered that a number of different vehicle purchase dates had been entered on the price comparison website. Hastings asked Mr R to confirm the actual purchase date of the vehicle. When he didn't reply Hastings amended his policy to reflect the worst case scenario and wrote to Mr R saying it was going to collect an additional premium from his credit card in 7-10 days' time. However, its attempts to do so weren't successful.

A short time afterwards Mr R's representative contacted Hastings. She said he'd inputted the correct vehicle purchase date when applying for the policy and that Hastings must've made an error when transferring the information from the price comparison website. As part of its investigation, Hastings listened to the payment telephone call and noted that Mr R said during it that he'd only just bought the car.

Hastings apologised to Mr R for not spotting during the call that what he said conflicted with the information it held about when he'd purchased the car. It offered to refund his premium in full if Mr R wanted to cancel the policy. Mr R wasn't happy with the offer so Hastings looked at the matter again. It said that the data had been correctly transferred from the price comparison website. Hastings again acknowledged that its representative should've spotted the inconsistent information during the telephone call. It offered to charge him only half the amount of the additional premium (£377.70) which it would reduce by a further £75 as compensation.

Mr R didn't accept Hastings' offer. He thought he shouldn't have to pay any additional premium because he'd told Hastings when he'd purchased the car during the phone call. Unhappy with Hastings' findings, Mr R complained to this service.

Our adjudicator investigated Mr R's complaint but didn't recommend that it was upheld. Mr R disagreed with our adjudicator's findings so the complaint was passed to me for a decision.

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 don't think Mr R's complaint should be upheld and I'll explain why. I appreciate that Mr R told Hastings when he'd purchased the car during the payment call. Hastings has admitted that it should've realised during the call that what Mr R was telling it contradicted the information that showed on its systems.

Assuming it had done so, Hastings would've recalculated the premium then and there. Mr R would've been asked to pay an increased premium which was made up of the original one (based on the wrong purchase date of the vehicle) and the new additional premium (taking into account the correct vehicle purchase date). Mr R could have chosen to proceed and pay the full increased premium or to walk away and try and get cover from another insurer.

I'm quite sure that what Hastings wouldn't have offered Mr R at this point was to insure him at the original premium now the actual purchase date of the car had been confirmed.

Mr R is asking Hastings to do just this but I don't think it would be fair or reasonable to require it to. This is because Mr R hasn't been at all financially disadvantaged by Hastings' failure to spot it had offered a policy based on being given the wrong information. If it'd spotted the error during the call Mr R would've been asked to pay the correct, increased, premium then and there. This is exactly what Hastings has subsequently asked Mr R to do.

I think that Hastings' offer to cancel the policy and refund the premium was a reasonable one. If Mr R didn't want to pay the correct price, he'd have been back where he started. He'd have been no worse off as a result of what's happened and could've been free to search the market again. Similarly, Hastings's offer to waive half the additional premium and further reduce the outstanding balance by £75 as compensation for any upset caused is also, in my opinion, both fair and reasonable in the circumstances of this complaint.

I've seen the price comparison website data and am satisfied that the purchase date entered was 2006 and not 2016. So, I don't find that Hastings did anything wrong when originally calculating the premium.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 12 October 2016.

Claire Woollerson
ombudsman