

## **complaint**

Mr B complained that Hastings Insurance Services Limited wrongly cancelled his motor insurance policy for non-payment of his premium.

## **background**

Hastings cancelled Mr B's policy because they said he hadn't paid his premium. But he said he was able to pay it and they shouldn't have cancelled, particularly while he was querying what he owed. He was also unhappy that they hadn't properly explained what they said he owed and kept adding on charges.

Hastings said that they were entitled to do this. But they apologised for giving Mr B incorrect information about what he owed, and for continuing to pursue the debt while Mr B was querying it. They offered to waive his outstanding debt and pay him Mr B compensation of £25. Mr B didn't agree and so brought his complaint to us, through his daughter Miss B.

The adjudicator recommended that Mr B's complaint should be upheld. She thought that Hastings hadn't acted fairly in cancelling his policy and they should pay him additional compensation of £100 and remove his policy cancellation from his insurance record. Hastings didn't agree and so I've been asked to decide.

## **my findings**

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

Hastings tried to take a premium payment from Mr B's account, but there wasn't enough money in his account. They wrote to him saying they try to take it the following week, plus an additional default charge, from the card held on their records which had been used to pay the deposit.

Mr B said he'd had enough money in his account to pay for the premium, and the card was his daughter's and they shouldn't have tried to take money from it without permission. When the premium went unpaid from that card, Hastings wrote to Mr B and said they would cancel his policy unless he paid the premium plus default charge too. And if they did cancel it they would charge a cancellation fee of £45.00. When Mr B didn't reply they cancelled his policy a week later and demanded the outstanding balance, which by then they said was about £100.

Mr B complained that he hadn't received their letters, but he hasn't explained why, and as Hastings have shown from their records that they were addressed correctly and that they sent them, I can't hold them responsible if he didn't get them.

He wasn't happy that they had tried to take the payment from his daughter's card. But Hastings showed us a screenshot of the information shown to customers when they make a payment online. This explains that the card may be used for future payments, and so it seems that Hastings were entitled to use Miss B's card. Mr B also questioned the amount Hastings said he owed. He said that Hastings couldn't tell him how much he'd owed and why, when Mr B's daughter asked them on his behalf. He was also unhappy that, while he was reasonably querying the amount, Hastings threatened to instruct debt collectors for an amount he felt he didn't owe.

Mr B had changed the car on his policy a few months earlier and this had increased his monthly premium. Mr B appears not to have appreciated that, and Hastings haven't shown us that they explained to him they had recalculated his premium. I don't think they should have cancelled his policy without clearly explaining what he owed and why. Overall I think that the information that Hastings did give Mr B about what they say he owes has been confusing and contradictory. They told Mr B different incorrect amounts for his outstanding premium balance, in various letters, including the cancellation letters. And the balance had escalated due to charges. The adjudicator felt that despite what Hastings had said in response to this complaint and the previous correspondence it wasn't clear what he owed. She thought that if they'd calculated the premium correctly and collected the right amount he would have had enough money in his account when they tried to collect the premium by direct debit.

Hastings agreed to write off what they said he owed, though even then they gave him different amounts for that. And they offered him £25 compensation. They also accepted that they shouldn't have continued to chase the debt while his complaint was ongoing. I think that they should have been able to explain clearly to him how much he should have owed when his payment was due, before the other charges were added on and they cancelled the policy. But they didn't do that and were too quick to cancel.

I can see that Mr B has found the matter very stressful. He was also upset to realise that he'd been driving without insurance for a day. I think that Hastings's offer of compensation and waiving the debt owed is not enough to compensate for the distress and inconvenience Hastings's actions have caused him. And so I agree with the adjudicators' view that Hastings should waive any debt, pay him £100 compensation, in addition to the £25 already paid, and remove any notice of cancellation from his insurance record.

### **my final decision**

For the reasons I've discussed above, it's my final decision that I uphold this complaint and I require Hastings Insurance Services Limited to do the following:

- Waive any outstanding debt Mr B has,
- Ensure that record of cancellation of Mr B's policy is removed from any internal and external databases,
- Provide Mr B with a letter confirming that the cancellation was as a result of their error and not any error by him, and
- Pay Mr B further compensation of £100 for his distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 27 December 2019.

Rosslyn Scott  
**ombudsman**

*Hastings must pay the compensation within 28 days of the date on which we tell them Mr B accepts my final decision. If they pay later than this, they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.*

*If Hastings consider that they are required by HM Revenue & Customs to withhold income tax from that interest, they should tell Mr B how much they have taken off, and give Mr B a tax deduction certificate if s/he asks for one, so s/he can reclaim the tax from HM Revenue & Customs if appropriate.*