

## **complaint**

Miss P's complained about the service she received from Advantage Insurance Company Limited – trading as Hastings Direct – when she made a claim under her motor insurance policy.

## **background**

Miss P bought a motor policy with Hastings. A month later she made a claim following an accident and her car was written off.

Miss P complained to Hastings about a number of service failings. She wanted it to write off the rest of the year's premium it said she owed it. Hastings acknowledged it had dealt with her claim very poorly. It offered Miss P a total of £825 compensation. But it said she'd need to pay the rest of the year's premium as a claim had been made.

Miss P remained unhappy, so she brought her complaint to us. The adjudicator who investigated it didn't recommend it should be upheld. She agreed Hastings' service had been very poor. But she felt it had done enough to put things right. The adjudicator thought Hastings was reasonable to ask for the remainder of the year's premium to be paid. Hastings told the adjudicator if it recovered its outlay costs of the claim from the other driver, it would pro rata Miss P's premium.

Miss P didn't agree. She doesn't feel we are listening to her and doesn't agree she should have to pay the remaining premium of £1,089.55.

So the matter has been passed to me 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. Having done so, I don't intend to uphold it.

There's no question that Hastings made numerous errors while dealing with Miss P's claim. And its repeated errors caused Miss P considerable time, trouble and upset – in addition to the upset of being involved in an accident. An example of this poor service was when it told Miss P she could ignore debt recovery letters sent to her. This, in its own words, was appalling advice to give Miss P. Hastings wrongly told Miss P if she cancelled her policy the only charge she would need to pay was £45. It didn't explain she'd need to pay the rest of the yearly premium. She made many calls to Hastings and was promised call backs which didn't happen and received incorrect information about her claim.

Having looked at all of the issues, I think Hastings' apology and compensation of £825 is reasonable. I think it's enough to put right what went wrong. I understand Miss P doesn't agree. She feels the compensation doesn't even cover the premium she has to pay Hastings. Her view is once the contract was cancelled, she owed Hastings no more money.

After Miss P bought her policy, Hastings received her proof of No Claims Bonus (NCB). Because it wasn't in her name as a policyholder in the last two years, it didn't accept it. So it adjusted her premium. Miss P says she didn't receive Hastings letter telling her about the increase. She says if she'd known the premium was going to be more, she would have cancelled her policy within the cooling off period. But Hastings has shown it did write to her, so I think it's reasonable of Hastings to apply the adjustment to her policy.

As a claim was made under the policy, Miss P needs to pay the balance of the yearly premium. Her policy provided insurance for a year in the event of a claim. A claim was paid, so the policy provided the relevant cover. So Miss P owes the balance. This isn't an unusual term in motor insurance policies and Hastings explained it in their policy to Miss P. So even if Miss P cancelled the policy, the remaining premium is due because a claim was paid.

I understand Miss P is very upset at the way Hastings treated her and I agree its service to her was very poor. But Hastings is entitled to request the remaining balance of the premium from Miss P. If Hastings can recover the full costs of the claim from the other driver, it says it will provide a pro rata refund of the premium to Miss P. And it has offered a repayment plan for Miss P to pay what she owes it in instalments. I think this is a fair approach to take.

Taking everything into account, I think Hastings dealt with Miss P's complaint reasonably.

#### **my final decision**

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 5 October 2016.

Geraldine Newbold  
**ombudsman**