

## **complaint**

Miss K has complained that IGO4 Limited – intermediary for Hastings Direct ‘Smart Miles’ - didn’t do enough to notify her that her car insurance policy would cancel. Miss K’s father is helping her with her complaint.

## **background**

Miss K bought a car insurance policy with ‘Hastings’ through a comparison website. She added her mother as a named driver. She said her mother didn’t have any previous claims. But this wasn’t true.

Hastings checked the Central Underwriting Exchange (CUE) and found Miss K’s mother had three claims in the past five years. Hastings wrote to Miss K giving her seven days’ notice that her policy would be cancelled due to the undisclosed claims history. A week later it confirmed the cancellation by letter and email to Miss K.

Mr K complained to Hastings on his daughter’s behalf. He said his daughter didn’t receive the cancellation notice letter. Miss K hadn’t deliberately misrepresented Mrs K’s claims history when she bought the policy. It was an honest mistake.

But Hastings said it had properly notified Miss K of the cancellation. It wasn’t possible to reinstate the policy because its underwriter wouldn’t have offered a policy to Miss K if it had known about Mrs K’s claims history.

Miss K remained unhappy, so she brought her complaint to us. Because she didn’t receive Hastings’ cancellation notice letter, she didn’t have the chance to prevent the cancellation. Miss K could have removed her mother as a named driver instead. Hastings had communicated with her by email, including the cancellation confirmation. So she doesn’t understand why it sent its cancellation notice by letter only, given it had a seven day notice. Her car insurance is more expensive now because she has to tell future insurers she’s been refused car insurance. So she wants Hastings to remove the cancellation from her record.

The adjudicator who investigated her complaint didn’t recommend it should be upheld. She felt Hastings had cancelled her policy fairly and in line with the policy. It was unfortunate that Miss K didn’t receive its letter, but it wasn’t obliged to email her as well.

Mr K didn’t agree. He and Mrs K said Hastings told them if Miss K had contacted it before the policy cancelled, it would have offered to remove Mrs K as a named driver from her policy. Mr K feels Hastings didn’t do the right thing by not emailing the cancellation notice to her, even if the policy says this is its requirement.

The adjudicator asked Hastings if it would have offered a policy to Miss K. Hastings said when it asked its underwriter about an alternative policy, the reason the underwriter refused was because Miss K didn’t tell it about her mother’s claims history. However, Hastings has recorded the policy as being cancelled, not voided. So the reason for cancellation hasn’t been recorded on CUE.

The adjudicator provided a second view. Although Miss K says she didn't deliberately avoid telling Hastings about her mother's claims history, she had a duty to check the information she provided was correct. Because she didn't, the insurer acted correctly in giving notice and cancelling her policy. The adjudicator believes Hastings has recorded the cancellation correctly.

Mrs K didn't agree. She said Hastings told her if Miss K had contacted it before the policy cancelled, it could have removed Mrs K from her policy instead. The only reason why it wouldn't now provide cover was because Miss K didn't reply to the letter. This is why it's so important – as Miss K didn't receive the letter. So Miss K didn't have the opportunity to prevent the cancellation. Mrs K doesn't accept Hastings' view that its underwriters wouldn't have provided cover at all.

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.

Mr and Mrs K are certain that Hastings would have offered Miss K a policy as the only driver if she had contacted it before the policy cancelled.

But even if this was possible, it doesn't make a difference because Miss K didn't contact it before the policy cancelled. If I thought Hastings hadn't done enough to alert Miss K to the cancellation of her policy – or the reasons for cancelling her policy were unfair - this would be something I'd consider. But I think Hastings fairly cancelled Miss K's policy and in line with her policy. So even if Hastings might have done something differently if it had heard from Miss K, because it didn't, it doesn't change the outcome.

Miss K's policy with Hastings says;

*"We and your insurer can cancel your policy at any time by sending you written notice to the last postal or email address on our system, stating why the policy has been cancelled."*

I understand Miss K said it had sent her an email confirmation her policy had been cancelled. And it's unfortunate that she didn't receive the letter. But as Hastings sent its cancellation notice in line with its policy it met its obligations. So I can't say it was unreasonable because it didn't email as well. The letter wasn't returned to Hastings as undelivered and it was posted to the address it had for Miss K when she bought the policy a couple of days before.

The reason why Hastings sent Miss K a cancellation notice is because it found three claims for Mrs K on CUE, which Miss K didn't tell it about. I know Miss K says this was an honest mistake. But the comparison website asked a clear question about the named driver's claims history. And Miss K has a responsibility to provide accurate answers to the questions an insurer asks. So I don't think she took reasonable care to check her mother's claims history was correct before she provided it. So I think Hastings was reasonable to cancel her policy. As Hastings has shown the underwriter wasn't prepared to provide alternative cover due to Miss K's non-disclosure, I don't think Hastings did anything wrong.

Hastings has confirmed that the cancellation has been recorded as a cancellation only, not as a voidance due to misrepresentation. And Miss K was only charged for her time on cover, so she didn't pay any cancellation charges, which I think was reasonable. So I think Hastings cancelled Miss K's policy fairly and in line with her policy.

**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 K to accept or reject my decision before 19 May 2017.

Geraldine Newbold  
**ombudsman**