

complaint

Mr P is unhappy that Hastings Insurance Services Limited cancelled his insurance and gave him poor customer service.

background

Mr P had a motor insurance policy with Hastings, on which his wife Mrs P was also a named driver. Mr P paid his premium in monthly instalments by Direct Debit.

A few months after the policy started, Hastings told Mr P it hadn't received his monthly payment. When Mrs P called Hastings about this, the agent said Hastings had received Mr P's payment but a systems fault meant it hadn't processed the payment properly. Hastings apologised, said the fault was fixed and paid Mr P £50 compensation for his inconvenience.

But Hastings told Mr P his next two payments hadn't been received either. It told him it would cancel his insurance as a result. Mr P didn't think this was fair as he'd made all his payments and had been calling Hastings to sort things out. So he got in touch with our service. Our investigator spoke to Hastings, and it said it would pause the cancellation while it looked into Mr P's complaint.

After looking into things, Hastings upheld Mr P's complaint. It said it was aware of an issue that meant Mr P's payments weren't being attached to his account and this had caused the cancellation process to begin. It apologised and paid Mr P a further £60 compensation for his stress, inconvenience, and for not calling him back.

About a month later, Mr P's car broke down. When he called Hastings for assistance, it told him it couldn't help as his policy had been cancelled and that he'd need to wait over the weekend until a particular agent returned to the office.

Mr P complained again to Hastings. It said it shouldn't have cancelled Mr P's policy and should have done more to reinstate his policy when he called. It apologised and offered Mr P a further £100 compensation. But it said it wouldn't compensate Mrs P for the earnings she says she lost by not being able to drive while the insurance was cancelled.

Hastings told our service it couldn't fix the issue of Mr P's payments not being added to his account, so it offered him the opportunity to cancel his policy early without charge. Mr P decided to keep his policy until the end of its term as he wasn't able to find a suitable policy elsewhere, he wouldn't qualify for another year's no claims discount if he cancelled the policy early, and the issue hadn't happened again recently.

After looking at the information she had, our investigator thought Hastings had caused Mr P unnecessary stress and inconvenience. She didn't think the £210 compensation Hastings had already offered was enough in the circumstances, so she said it should pay a Mr P a further £190, bringing the total compensation to £400. But she didn't award compensation for Mrs P's loss of earnings.

Hastings disagreed so this complaint has been passed to me to make 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.

Both Mr P and Hastings agree that Hastings made mistakes. Hastings accepts its systems error meant it repeatedly and incorrectly told Mr P he hadn't made payments when he had, and that it therefore sent him letters saying he owed money and that his policy would be cancelled. And it accepts it made further mistakes in cancelling the policy and not doing more to reinstate it when Mr P called.

Since it's not in dispute that Hastings made mistakes, what I need to decide is how to put things right. To do that, I've considered what impact the mistakes had. In other words, whether they caused Mr P any distress or inconvenience, or caused a financial loss.

I'm satisfied Hastings caused Mr P unnecessary distress and inconvenience. I say this because I think Mr P would have been worried each time Hastings incorrectly told him his payment hadn't been received, when it said he owed it money and when it said it was going to cancel his insurance. And I think Mr P was inconvenienced and frustrated by having to call Hastings several times about these things.

I think Hastings caused Mr P further worry, frustration and inconvenience when it incorrectly cancelled his insurance. Mr P says that when he called for assistance when his car broke down, Hastings told him it had cancelled his insurance, that it couldn't be reinstated until the agent who'd been dealing with his complaint returned to the office after the weekend, and that it advised him not to drive the car in the meantime. Hastings hasn't provided recordings or notes of these calls, but I've not seen any reason to doubt Mr P's account and Hastings hasn't disputed it.

I think Mr P would have been very frustrated to find out his insurance had been cancelled, as he hadn't missed any payments and Hastings had previously said it would pause the cancellation. Mr P says he was worried about what might've happened if he'd been stopped by the police whilst unknowingly driving without insurance. I can see why Mr P would have been concerned in hindsight, but thankfully he wasn't stopped.

It seems Mr P called Hastings several times after finding out his insurance was cancelled. Hastings accepts that in those calls it incorrectly told Mr P he'd need to wait for a particular agent to return to the office before his cover could be reinstated.

I think these calls caused Mr P frustration and inconvenience. And I think Mr P was further inconvenienced by not having the car available for use by him and his wife over that weekend. Mr P says his wife lost a day's wage as she wasn't able to drive to work. But Mr P knew the day before that the car wasn't insured and couldn't be driven. Therefore I think Mrs P had the opportunity to try and make alternative travel arrangements. I've not seen anything to suggest she did try, so I can't say Hastings solely caused this financial loss. Therefore, it wouldn't be fair for me to award compensation for Mrs P's lost earnings.

However, I think the investigator's suggestion of a total of £400 compensation is fair and reasonable compensation for Mr P's distress and inconvenience. I've not seen that Hastings took any action to add defaults or charges to either Mr P's account or credit record. But if it did, it should remove these.

my final decision

For the reasons set out above, I uphold this complaint. Hastings Insurance Services Limited should pay Mr P a further £190 compensation in addition to the £210 it's already offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 11 April 2019.

Ailsa Wiltshire
ombudsman