

complaint

Miss H and Mr H complain about the customer service they received from Hastings Insurance Services Limited after they changed the car insured on their motor insurance policy.

background

Mr H has a motor insurance policy with Hastings. Miss H is the sole named driver on this policy. The policy renewed on 1 December 2018. Mr H, the main policyholder, paid the initial deposit, but the insured car belonged on Miss H and an arrangement was in place for her to pay the balance of the monthly instalments of the premium by direct debit.

This arrangement had been in place for several years. And there were no problems until after Miss H called Hastings, on 8 February 2019, to change the details of the car insured under the policy.

The change of car meant there was a small increase of £5.89 in the premium and an amendment fee of £20 was charged. Miss H agreed that the additional sum would be spread across the remaining months of the policy term. She was told her revised monthly payment due on 13 February 2019 would be £75.33 and was also given details of the payments due for the remainder of the policy term. During the call Miss H told Hastings that they were writing to her at the wrong house number, so a neighbour was receiving her letters. Hastings agreed to send a revised payment schedule.

A copy of the revised payment schedule was sent to both Mr H and Miss H. This schedule didn't make any reference to a payment being due on 13 February 2019. It showed the first payment being due on 13 March 2019. And the schedule didn't show the same payments Miss H had been advised of during the call with Hastings on 8 February 2019. The payments on the schedule varied considerably from month to month, from as little as £9.91, to as much as £140.81.

Hastings tried to collect the payment due on 13 February 2019 from Miss H's account but were unable to do so as there were insufficient funds available. Hastings then wrote to Mr H advising him that the payment would be taken from his account. Mr H's wife called Hastings, on his behalf, on 15 February 2019, to query why they were taking the money from his account, when Miss H had told him she'd made the payment. She was asked to send proof the payment had been made, as Hastings had no record of it. During the conversation Hastings agreed to remove Mr H's payment details from the policy and confirmed this had been done.

Miss H called Hastings on 16 February to raise further issues. She said she'd been charged a fee to amend her address, but although she'd received one letter correctly addressed to her, her neighbour had received three wrongly addressed letters for her the same day. She wanted the fee she'd paid refunded as her address hadn't been updated. She also said the payment schedule she'd received had inconsistent payments and, as a single parent, she struggled to budget without regular payment amounts. Hastings said the wrong address on their system had been marked as inactive, so no further letters should be sent there.

On 2 March 2019 Miss H called Hastings as she'd received a letter telling her the policy would be cancelled, as she hadn't paid the instalment due on 13 February 2019. Miss H spoke to several people at Hastings. She was initially told the only way to stop the

cancellation was to make the outstanding payment. She tried to explain that the revised schedule she'd received didn't list a payment due on 13 February 2019. When she said she couldn't afford to make the payment, she was told Hastings had written advising her of the outstanding payment, so there was nothing that could be done. And that the schedule on their system clearly showed a payment was due on 13 February 2019.

Eventually Miss H spoke to someone who asked her to email a copy of the schedule she'd received. She did this and when Hastings called her back, they'd reviewed the schedule she'd been sent, and as this didn't include any payment for February 2019, they agreed to write off the February payment. Miss H was told as there was no longer an outstanding payment the policy wouldn't cancel. She was also told that Hastings technical team had admitted there was a problem with her payment schedule. Miss H confirmed that she was happy with a payment of around £75 a month. She was taken through a new payment schedule, with payments at around this level, and told this would be sent to her. Miss H also complained that one of the people she'd spoken to earlier had called her a liar. She was told this would be looked into.

Despite the discussion about having regular payments Hastings then sent a revised schedule to Mr H and Miss H, the same day, which had monthly payments which varied from £9.91 to £140.81.

Miss H next contacted Hastings on 25 March 2019. She wanted to speak to the person she'd spoken to on 2 March 2019 as she'd received further schedules detailing inconsistent payments, letters were still going to her neighbour's address, and now her name was wrong on some of the letters. Miss H said she'd been emailing them but had yet to receive a response. Miss H was told a complaint had been logged on her behalf and someone who knew the history of the case would look into things and contact her.

Miss H didn't hear back from the person she'd spoken to at Hastings in early March. She called again on 5 April 2019 seeking confirmation of her monthly payments, as the schedule she'd been sent didn't match the payments she agreed to make. She told Hastings she'd been calling and emailing every day to try and get things resolved but hadn't heard from them. Miss H also wanted to know whether her policy was still in place as she didn't know what payment Hastings had taken in March, and whether this had gone through. She was also unhappy that Hastings continued to contact her father about the payments, as this was putting strain on her relationship with him.

Hastings logged a complaint for Miss H who told them she'd already contacted our service. She was told the issues she'd raised were being looked and they would contact her as soon as they could explain what was going on. She was offered £10 compensation for their failure to contact her as she'd requested, which she didn't accept.

Mr H was sent a letter of 5 April 2019 telling him he'd needed to pay £75.36 and arrange to set up a new direct debit. He was told the policy would cancel on 21 April 2019 if the payment wasn't received. On 13 April 2019 Mr H was sent a further letter warning him the policy would be cancelled if payment wasn't received by 21 April 2019.

On 22 April 2019 Hastings sent Miss H a letter advising her that the policy was cancelled on 21 April 2019.

Miss H spoke to Hastings again on 23 April 2019. She hadn't received the letter about the cancellation, when she spoke to them. She told them that letters were still being sent to her

neighbour, and sometimes these contained just blank sheets of headed paper. She was told further correspondence could be sent by email. Hastings said they were looking into what had happened with her payment schedule and sorting this out. She told them again that she was a single parent and couldn't budget for inconsistent payments. She expressed her disappointment that she hadn't been able to contact the person who seemed to understand the problems she was having.

Hastings called Miss H back the same day and told her something had gone '*horribly wrong*' with her direct debit. She was told the policy had been cancelled but had now been reinstated. Despite this conversation both Mr and Miss H were sent two separate further payment schedules on 23 April 2019 with different payment details. One set out payments varying from £18.59 to £105.94 and the other £72.36 to £85.72.

Hastings called Miss H again on 24 April 2019 in response to her complaint and told her the problems she'd been experiencing were due to system errors, and they couldn't guarantee that these wouldn't happen again. But her payment plan had been adjusted. Hastings told her that when the policy was reinstated £48 interest had been added to the premium, but they'd written this off and given her £100 compensation. These sums had been taken off the outstanding premium which meant she had seven payments of £67.62 left to make.

Hastings apologised for the number of times Miss H had needed to call and explain what had happened. They also apologised for the person Miss H had spoken to on 2 March 2019 saying he'd been '*very rude and obnoxious*'. Hastings said a new payment schedule was being sent to her by post and email. They confirmed her direct debit was in place and said if she had any further problems, she should contact them.

And a schedule setting out these payments was sent to her, using her correct name and address on that date.

Miss H was unhappy with the customer service she'd received from Hastings and complained to our service. Our investigator considered the case and said Hastings had already said the customer service they'd provided was poor, so what she had to consider was whether the compensation of £148 was fair and reasonable.

She said there was no doubt that Hastings sending inconsistent payments schedules and sending letters to the wrong address had caused Miss H inconvenience, and she'd found trying to sort this out very frustrating. But she said the payments Hastings attempted to take in February and March 2019 were in line with the schedule sent to Mr H. So even though Hastings had sent Miss H schedules with inconsistent payments, she didn't think this should have led to missing payments.

And she said when Miss H disputed the payment schedules and the date the first payment was due, Hastings agreed to write off the February payment and told her exactly what she needed to pay each month between March and November 2019. So she was satisfied they did tell Miss H the correct amount she was due to pay each month.

Our investigator said that she understood the situation had put a strain on the relationship between Miss H and her father. But as he was the policyholder, she said Hastings were entitled to attempt to take the payments from him, if they weren't made by Miss H. So our investigator didn't think they'd done anything wrong.

While our investigator understood that Miss H was very concerned to discover her policy had

been cancelled, and she was driving without insurance for two days, she didn't think they're been any significant impact, particularly as Hastings agreed to reinstate the policy, despite there being two missed payments.

Our investigator thought Hastings compensation offer was fair and reasonable and she didn't ask them to do anything further.

Miss H was unhappy with our investigator's opinion so the case came to me for a decision.

I issued my provisional decision on 28 February 2020. In it I said: -

Hastings have accepted that the level of service they provided to Mr H and Miss H was poor. But I still need to look at the service provided to consider whether the compensation they've offered is fair and reasonable.

Mr H is the policyholder and so responsible for the monthly premium payments, if these aren't made under the arrangement agreed between Hastings and Miss H. Yet when his wife spoke to Hastings on Mr H's behalf, they agreed to remove his payment details from the policy. There was no discussion about him being the policyholder, Hastings just agreed to do as he'd requested. As they'd done this, I can understand why Mr H would have then been upset about receiving letters from Hastings telling him he had to make the missed payments and set up a new direct debit. Miss H has told us this has impacted on her relationship with her father and I can see how it could have done.

Miss H has told us she's a single parent with two children, one of whom is unwell, and she needs to carefully budget each month. I've listened to all the calls between her and Hastings and, from the first call, she made clear to them the impact not having a regular fixed monthly payment had on her. I accept that during her conversation on 8 February 2019 she was told a payment of £76.36 was due on 13 February 2019. But she then received a payment schedule which didn't show a payment as being due until 13 March 2019. In her circumstances, when she's explained how carefully she needs to budget, I can understand why she simply accepted the payments set out in the schedule, as it gave her one less bill to pay in February 2019.

Miss H is mistaken about why she was charged a fee of £20. This was in respect of changing the details of the car insured under the policy. This charge is clearly set out in the policy terms and conditions. So, despite the errors made by Hastings I don't agree this needs to be refunded.

Miss H called Hastings on 2 March 2019 to try and sort out her payments. Hastings have described the person she spoke to first as 'rude' and 'obnoxious'. I've listened to the call and he simply wouldn't accept what Miss H was saying. He argued with her, said it wasn't possible for the payment schedule she'd received to be different to the one he could see on their system, and when she was clearly upset and had said she couldn't afford to make a payment that day, he didn't really try to help. When Miss H offered to send a picture of the schedule she'd received, she was simply told this wouldn't help, and her policy would cancel unless she made a payment that day.

Miss H did eventually speak to someone who asked for a copy of the payment schedule and confirmed that Hastings technical team had admitted they're been a problem with her payment schedule. They wrote off the outstanding payment and confirmed the policy

wouldn't be cancelled. But to reach this outcome had involved Miss H spending hours on the phone with Hastings.

After all this Miss H continued to receive incorrect schedules, her name was spelt incorrectly, and letters were still being sent to her neighbour. She's told us she left messages for the person she'd spoken to last on 2 March 2019 to call her and sent emails to try and get this resolved over a period of weeks. But they didn't get back to her. I accept that this left her in a position where she had no idea what payments she was supposed to be making, as the schedule she'd been sent didn't match the payments she'd been given over the phone. And in her circumstances, this must have been difficult and upsetting. Particularly as she spent so much time trying to resolve the issues.

Given all that had happened I'm not surprised Miss H wasn't happy with the £10 Hastings offered for failing to return her calls or reply to her emails. Although the person Miss H spoke to on 5 April 2019 tried to help, the situation wasn't resolved. She continued to receive incorrect payment schedules.

She finally received a payment schedule with consistent monthly payments after speaking to Hastings on 24 April 2019. They accepted she had lots of problems due to system errors, but even then, said they couldn't guarantee the problems wouldn't arise again.

I can understand why Miss H was upset to learn the policy had been cancelled in April, then reinstated. Considering all the problems she'd reported to Hastings I don't think the policy should have cancelled, as she was trying to contact them to confirm what payment was due. I appreciate why she's upset about what might have happened while she was unknowingly uninsured, but fortunately nothing did happen.

Even though Mr H was the policyholder, as Hastings had agreed to remove his payment details from their system, I can see that he would then have been upset when he continued to receive letters from Hastings about the outstanding payments.

With all problems Miss H has had and time she's spent trying repeatedly to resolve these issues with Hastings I don't think the compensation offered for the trouble and upset she and Mr H have suffered is adequate given the poor customer service they've experienced.

And to put things right I said I required Hastings to do the following: -

- Pay Mr H £100 compensation for the trouble and upset he has experienced.*
- Pay Miss H £250 compensation for the trouble and upset she experienced.*

So my provisional decision was that I upheld Mr and Miss H's complaint.

Mr and Miss H have indicated that they accept my provisional decision. Hastings haven't responded to my provisional 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.

As Mr and Miss H have accepted my provisional decision, and there's been no response from Hastings, I see no reason to review my decision.

my final decision

For the reasons set out above, and in my provisional decision, my final decision is that I uphold Mr and Miss H's complaint against Hastings Insurance Services Limited.

And to put things right I require them to do the following:-

- Pay Mr H £100 compensation for the trouble and upset he has experienced.
- Pay Miss H £250 compensation for the trouble and upset she experienced.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Miss H to accept or reject my decision before 20 May 2020.

Patricia O'Leary
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