

## **complaint**

Mrs B bought a motor insurance policy through Hastings Insurance Services Limited. She complains that she was left driving without insurance as a result of its poor service.

## **background**

Mrs B renewed her policy through Hastings in December 2016. A mid-term adjustment made to Mrs B's policy led to an extra charge of £113.33. Hastings asked for a copy of her car's registration document (V5 form). Before it could be provided, Hastings sent Mrs B letters saying if the sum due wasn't paid by 21 February 2017 her policy would be cancelled.

Mrs B and her son rang Hastings on 18 February 2017 to say he'd emailed the V5 document to it. Hastings' advisor checked, and then told Mrs B's son that a refund of £61.55 was now due. He said it would be credited to her card. Mrs B thought all was well following that call. But she was stopped by the police in May 2017 and charged with driving without insurance. Her car was seized and she had to appear in court in November 2017.

Hastings said its advisor '*could have been clearer*' when speaking to Mrs B and her son, as a small sum remained owing on the policy. That debt was picked up by Hastings' system, so the cancellation went ahead on 21 February 2017. Hastings said Mrs B was told by email, having agreed to continue to receive documents by email on 18 February 2017.

Mrs B's representative, "Mr M", said Mrs B didn't use Hastings' email portal. He said Hastings had been writing to her home address about the potential cancellation. So it should have done the same with the cancellation notice. He also said Hastings hadn't returned the rest of Mrs B's premium promptly. Doing so would have alerted her to the fact that something was wrong. Hastings agreed that the policy was cancelled incorrectly. It offered Mrs B £150 compensation. Later it increased its offer to £300.

Hastings also gave Mrs B a letter for the court explaining the situation. Our investigator upheld her complaint. The court acquitted Mrs B in November 2017. Meanwhile, Mrs B's car was crushed, because she couldn't afford to get it back from the police compound. The cost of insurance for that, plus the release fee, was very high.

Our investigator said at first that Hastings should pay Mrs B the £300 it had offered her, plus the £400 impound charge. She thought it should also pay towards Mrs B's increased premiums, should she be convicted. After Mrs B was acquitted, another investigator reviewed her complaint. He said Hastings should pay Mrs B £1,000 in compensation, plus the market value of her car. Hastings disagreed with that. It said Mrs B should have checked her email account. But it raised its compensation offer to £500.

As there was no agreement, the complaint was passed to me for review.

## **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 has accepted that it was at fault. Its actions led to Mrs B losing her car. Had Mrs B been able to afford the impound fee - plus the high cost of temporary insurance to retrieve her car - I think she'd have done so. The car wasn't worth much more than she'd have had

to pay for that. And Mrs B would then have struggled to find further affordable insurance. She'd have had to declare to other insurers the cancellation, the pending prosecution - and maybe a conviction.

Mrs B had to cope with the huge shock of finding out she'd been driving without insurance for three months prior to being stopped by the police. She was without a car for the six months between her car being seized and having to appear in court. She couldn't afford to replace it and insure another one. That caused her great inconvenience. She had to rely on others to get to work and for other activities, as well as using taxis / public transport.

Throughout that entire period Mrs B was anxious about her pending court appearance. It was a nerve-racking prospect for someone with no prior experience of it. She also had the worry of potentially having to pay a fine and getting penalty points on her licence. And if convicted, Mrs B would have faced much higher insurance premiums.

Hastings thinks Mrs B must take some of the blame for what happened, because she agreed to contact by email. In other cases, I might have agreed with that. But here, although Hastings' advisor asked Mrs B if it should still contact her by email, it had been writing to her home address about the cancellation, as well as sending emails.

I think those letters – plus the call on 18 February 2017 - override the fact that Mrs B didn't check her emails. I think she was entitled to think any further contact about money due or the cancellation would be by post. And I don't think she had any reason to think Hastings would contact her again about the issue, by *any* means. During the relevant call, neither Mrs B nor her son was given any reason to think the problem hadn't been fully resolved.

I think it's also fair to say that Hastings should have processed the refund of premiums within a reasonable period. Had it done so within three months (before the police stopped Mrs B) I have no doubt that she'd have queried it. So the extremely stressful situation Mrs B's had to deal with over a period of many months could have been avoided at that point as well.

Hastings says Mrs B has no need to declare the cancellation to future insurers. It says the cancellation wasn't recorded on databases. I'd expect Hastings to ensure that's definitely the case. Any reference to the cancellation on internal or external records should be amended to show the cancellation was due to Hastings' error.

As she has no conviction or penalty points on her licence either, Mrs B should be able to get insurance at an affordable premium. But I think Hastings actions cost her financial loss, great inconvenience and a good deal of trouble and upset over many months. For those reasons, in this particular case I think it would be fair for it to pay her £1,000 compensation.

I think Mrs B is entitled to be compensated for the loss of use of her car for the six month period between the car's seizure and the court hearing. That would have amounted to a sum that's in line with the market value of Mrs B's car at the time of loss. So I think a fair and reasonable way forward would be for Hastings to pay Mrs B that sum too. Otherwise she won't be back in the position she would have been in but for Hastings' poor service.

### **my final decision**

My final decision is that I uphold this complaint. I require Hastings Insurance Services Limited to pay Mrs B £1,000 compensation in total, plus the market value of her car on the

date it was seized. It should also ensure any record of the cancellation is removed or amended, as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 11 May 2018.

Susan Ewins  
**ombudsman**