

complaint

Mr A is unhappy with the delays caused by Hastings Insurance Services Limited when dealing with a payment for his car insurance policy. And being sent incorrect balance information following his payment.

background

Mr A contacted Hastings to make a payment for the full balance of his car insurance policy. Hastings attempted to put the payment through twice but both appeared to have not gone through. So Mr A checked his bank account and saw that the payment was shown as pending. Hastings asked Mr A to send evidence of the payment and he did this. But they were still unable to locate the payment.

Mr A says he became concerned about the whereabouts of the money and attended a branch of his bank to see where it had gone. His bank confirmed the payment was going through. Mr A says he made several calls to Hastings and despite being told he would be contacted by them, he wasn't for several days. However, three days after the payment Hastings did contact him and inform him the payment had been located and applied to his account. Mr A made a complaint to Hastings in relation to the lack of communication.

Mr A says he was then sent a schedule of payments in the post by Hastings. This showed he had to make a final payment despite having paid the full outstanding premium. So he raised a further complaint point regarding the erroneous statement sent to him.

Hastings responded to Mr A's complaint and said that due to telephony issues they couldn't call him despite trying to do so a number of times. They said the payment was located in their system but it hadn't been applied to Mr A's account. And that three days after Mr A's initial contact they had managed to get in contact with him and tell him the payment had been received. Hastings acknowledged the inconvenience caused by the delay and offered to pay Mr A £75 in compensation. They arranged to have an updated payment schedule sent to him showing the nil balance.

Mr A came to our service and an investigator looked into his complaint. He thought Mr A should be paid £100 in compensation to reflect the impact the errors had on him. Mr A accepted his findings but Hastings disagreed as they felt the £75 reflected this. So the matter has been passed to me for a final 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.

Hastings have acknowledged that Mr A was inconvenienced by the fault in their telephony system and the delay this caused in them confirming his payment had gone through. And I agree that the period in delay of three days is relatively short. But I must consider how this has impacted Mr A and if the compensation offered reflects this.

Mr A paid his entire outstanding premium balance, which was a substantial amount of money. So it is reasonable that he would be anxious regarding its whereabouts. Even though the payment was located and applied to his account in a short period of time it is clear from Mr A's actions he was distressed about the situation. He attended his bank

personally and made a number of calls to Hastings in an attempt to understand where his money had gone. So these actions in themselves show he was concerned about the situation.

In these circumstances, I think Hastings should have kept Mr A regularly updated in relation to the status of his payment. And I can see from the notes on his account that Hastings did try to contact him at regular intervals by telephone to update him. But they were aware at the time of the telephony issues they faced. Hastings has acknowledged having an email address for Mr A and I think had they used this it may have alleviated some of the stress he faced. So although I appreciate the telephony issues weren't in Hastings control, I think they had other ways to relay the information to Mr A. This may have prevented him from having to attend his bank and continually call them for an update. So I think Hastings could have handled things better as the delay in him not hearing from them and having to chase them, over a few days, caused Mr A considerable distress.

I have also considered the payment schedule sent to Mr A showing an outstanding balance when he had already paid off the full amount. After experiencing an already difficult situation, this would have added additional stress to Mr A. I appreciate that Hastings rectified the error, but I think the additional stress this caused should be taken into consideration when awarding compensation. Mr A had already made a substantial payment and was presented with an additional cost. This no doubt added to the distress he had already faced from the delays caused by Hastings. And caused him to make further contact with Hastings through their error.

Having looked at the final response letter issued by Hastings, I don't think it has been taken into consideration when awarding compensation. There is a brief mention of sending a new payment schedule to Mr A, but there is no mention of how the fact this was wrong was taken into consideration throughout the body of the letter. So I think an overall amount of £100 in compensation is fair for the trouble, delays and error Hastings caused Mr A. I can see Hastings have already awarded Mr A £75 in compensation, so I think Hastings should pay him an additional £25.

my final decision

For the reasons I have given above, I uphold this complaint and direct Hastings Insurance Services Limited to pay Mr A a further £25.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 20 June 2019.

Stephen Westlake
ombudsman