

## **complaint**

Miss L complains that Hastings Insurance Services Ltd, trading as Hastings Direct, made a number of errors with the administration of her motor insurance policy. This led to her being charged a higher premium and caused her upset and inconvenience when she tried to resolve the situation.

## **background**

Miss L accepted a quote for motor insurance that she had received from Hastings Direct acting as her broker. The quote was based upon her not having made a claim on her motor insurance previously.

When she paid the deposit for the new policy, she told Hastings Direct that she had been involved in an incident that she had informed her previous insurer about, and this was being held as an open claim as neither her nor the third party involved had made a claim under the policy.

However, as the previous insurer was still holding the claim open, the new insurer decided to increase the amount of the premium it would charge Miss L for her new policy.

Hastings Direct told her that if the insurer received proof from her previous insurer that no claim had been made on her insurance, then she would receive a refund of the increase to the original premium.

But the decision to give this refund was that of the insurer, not Hastings Direct. Once the claim with the previous insurer was closed, Miss L's new insurer told Hastings Direct that no premium refund was due to her.

Miss L complained that she had been given the wrong information when she took out the policy, and had based her decision to continue with it on that information.

Hastings Direct said that as the original incident did occur, then this would still be recorded on her policy information. However, it offered Miss L a refund of £70 of her additional premium.

Miss L then contacted Hastings Direct to say that her named driver on the policy needed to be taken off, and also that she had changed home address. Hastings Direct arranged for the named driver to be taken off but did not then change the address details. This meant that Miss L did not receive the amended policy documentation.

When Miss L queried her premium for the insurance policy, Hastings Direct incorrectly told that this was higher because her driving licence was recorded as being a provisional rather than full. Miss L then brought her complaint to our service.

Through us, Hastings Direct made an offer to Miss L to resolve her complaint. It acknowledged that it had wrongly told Miss L she would receive a full refund of the increased premium when her claim was closed by her previous insurer. So it offered to refund this amount to the balance remaining on Miss L's account and waive the outstanding amount due. Hastings Direct also offered to pay Miss L £100 for the distress and inconvenience caused by it not correctly updating her address details and for giving her the wrong information about her driving licence record.

Our adjudicator considered this offer to be fair and so explained it to Miss L. But Miss L did not accept the compensation was adequate for the poor service she had received and asked for a full refund of the premiums she had paid.

### **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Hastings Direct has accepted that it made errors in the administration of Miss L's policy. The decision to refund the increase applied to her premium when the open claim was closed was that of her insurer, rather than Hastings Direct as her broker.

However, Hastings Direct has now offered to apply the amount of the increase - £450.74 - to the remaining balance on Miss L's account. This would mean that she would have paid the amount she was originally quoted.

I understand that Miss L's monthly premium payments were not collected while her complaint was investigated and the dispute over the amount remained. Hastings Direct has told us that, after the payments she has made to the policy had been applied to it (along with the refund of the increase) an amount of £94.14 would be left outstanding. Hastings Direct has also offered to write off this amount.

I do appreciate Miss L's particular circumstances, and understand that Hastings Direct's mistake in not updating her address after removing her named driver from the policy will have caused her upset and inconvenience at an already difficult time. Hastings Direct also wrongly told her that it did not have her full driving licence on its records, when this was correctly set out in her original policy schedule.

In all the circumstances, I find that Hastings Direct's offer to refund the increased premium places her in the position she would have been in if the information it gave her was correct. It was this information that Miss L used to base her decision to go ahead with this insurance policy.

Despite the administration errors, Miss L was provided with motor insurance throughout that year and so I do not consider it would be reasonable for her to receive a full refund of the premiums she did pay.

In recognition of its errors, Hastings Direct has offered to write off the remaining balance on Miss L's account for her insurance for that year. It has also offered to pay Miss L £100 for the distress and inconvenience it caused her. Overall, I agree this to be fair compensation.

### **my final decision**

My decision is that Hastings Insurance Services Ltd, trading as Hastings Direct should compensate Miss L as it has already offered to do:

- refund the amount of £450.74 to the balance on Miss L's account;
- write off the remaining balance following this refund of £94.14;
- pay Miss L £100 for distress and inconvenience.

Cathy Bovan  
**ombudsman**