

complaint

Miss D complains that Hastings Insurance Services Limited cancelled her motor insurance policy in error.

background

In October 2017, a third party driver alleged that Miss D damaged her car whilst driving. Miss D firmly disputed that and reported the matter to Hastings. In November 2017, Miss D renewed her motor insurance policy with Hastings.

In December 2017, Hastings wrote to Miss D and e-mailed her about the cancellation of her policy. Miss D contacted Hastings about that. In January 2018, Hastings told her that it had made an administrative error and that the policy was in force and due for renewal in November 2018.

In July 2018, Hastings wrote to Miss D again and told her that she was no longer insured. Miss D contacted Hastings. Hastings said that it had cancelled Miss D's policy in error. It paid Miss D compensation of £150 and reinstated Miss D's policy.

In August 2018, Hastings wrote to Miss D again about cancellation of her policy. Miss D contacted Hastings and it told her that it had made the same administrative error again. Hastings paid Miss D compensation of £75.

Miss D says that she was extremely distressed, as she had been driving her car before she received the first indication that Hastings had cancelled her policy. She says she has spent many hours on the phone with Hastings each time this happened. Miss D says that this matter caused her stress, lost work hours and taxi costs. She wants compensation that reflects all that and the lack of service.

Our investigator thought that the compensation of £225 Hastings had already paid was fair. He said that the reason behind the cancellations was the handling of a third party's claim against Miss D's policy. The investigator said that Miss D hadn't been able to provide any information about expenses she'd incurred. He also said that emergency cover had been in place up to the reinstatement of Miss D's policy.

Miss D didn't agree with the investigator. She said that Hastings had provided him with more information and explanation than it had given to her. That meant that she spent many hours contacting Hastings. Miss D said that she didn't know that emergency cover was in place. She said that the matter had caused her considerable anxiety. Miss D reiterated that she spent hours dealing with Hastings. She says that she didn't get a year's worth of cover, which is what she paid for.

As there was no agreement between the parties, the complaint was passed to me, an ombudsman, to decide.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

It's common ground that Hastings made a number of errors here. I'm conscious that I've condensed what I don't doubt was a very worrying time for Miss D into a short narrative. That reflects our service that, wherever possible, aims to be informal. But I'm satisfied that I've captured the essence of what happened.

Our investigator identified correctly that the root cause of the difficulties Miss D faced was Hastings' handling of a third party's claim against Miss D's policy. Based on what I've seen, it doesn't appear that Hastings actually cancelled Miss D's policy in December 2017. But Miss D didn't know that.

On the first occasion, I don't think that Hastings put matters right particularly quickly. Its notes show that in late December 2017, Miss D queried the letter she'd received and it wasn't until mid January 2018 that Hastings told her that her policy was in force. That was no doubt worrying for Miss D.

On the second occasion, Hastings' notes show that it told Miss D that it would ask the underwriter to reinstate the policy and that the underwriter had said that it would indemnify Miss D in the meantime. That means the underwriter would deal with any claim arising. Miss D's policy was reinstated a few days later. After Miss D thought that this matter had been resolved, it happened again.

It remains for me to consider the appropriate level of compensation. Under our rules, I'm required to determine cases by reference to what I consider fair and reasonable in the individual circumstances of each complaint. We can award compensation for loss, distress and inconvenience – to aim to put Miss D in the position she would otherwise have been in but for Hastings' errors.

I've considered this matter carefully. Miss D hasn't provided any evidence to support her claim for financial loss. When we look at distress and inconvenience, we don't proceed based on an hourly rate for the time spent dealing with the issues. We look at the effect the errors had on the individual.

This matter was no doubt worrying and inconvenient for Miss D. She sought clarification from Hastings and was left in an uncertain position on some occasions. But Miss D would have been either covered under her policy or indemnified in relation to any claim that arose. I appreciate that wasn't always clear to Miss D and it's fortunate that no claim or further adverse incident arose.

Considering everything, I agree with the investigator that the sums Hastings has already paid are fair. In reaching that view, I've taken into account the nature, extent and duration of the distress and inconvenience Miss D suffered. I'm sorry to disappoint Miss D but there's no basis on which to direct Hastings to pay Miss D more.

my final decision

For the reasons I've set out above, I don't uphold Miss D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 3 May 2019.

Louise Povey
ombudsman