

## **complaint**

Mr L's complained that Hastings Insurance Services Ltd didn't tell him before it renewed his motor insurance policy.

## **background**

Mr L bought his motor insurance policy to start on 5 July 2013 and Hastings automatically renewed it in 2014 and 2015. On 13 July 2015 Mr L was involved in an incident with another car. He said he told Hastings about it – and the other driver contacted Hastings to make a claim.

While Hastings was investigating the claim, Mr L called at the end of July and asked Hastings to cancel his policy. He believed he was cancelling it before it renewed as he thought the renewal date was at the end of July. But Hastings said his policy had already renewed and it had emailed him in June to tell him. Mr L said he didn't receive anything about the renewal.

Hastings settled the claim as a 'fault' claim – so it didn't recover any of the costs of the claim from the other driver. This meant that Mr L owed the full year's premium under the policy. But Mr L cancelled his Direct Debit, so Hastings couldn't collect the premium. So it passed the matter to a debt recovery agent to pursue Mr L for the balance he owed and cancelled his policy, charging its cancellation fee of £45. Mr L complained and although Hastings didn't uphold his complaint, it agreed to deduct its cancellation fee of £45 from the amount Mr L owed it.

Mr L brought his complaint to us. He believed he paid Hastings a year and a month's premium in good faith. He wanted Hastings to backdate the cancellation of his policy to the end of July and stop chasing him for any money. He said he probably would have taken out a month's insurance elsewhere if he'd received the renewal notice as he was buying a new car.

The adjudicator thought Hastings had told Mr L about his policy renewal – and as it had settled the costs of the other driver's claim, it was reasonable for Mr L to pay the full year's premium. So he didn't recommend the complaint should be upheld.

Mr L didn't agree. He said the evidence provided by Hastings to show it sent a renewal notice could be 'photo shopped' - and he considered his policy to be closed by the end of July. He said Hastings told him it could cancel his policy if he sent proof he bought a new car – which he said he did.

So the matter has been referred to me 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.

Hastings renewed Mr L's policy in July 2014 and July 2015 in the same way. Mr L says there's no evidence to show he received a letter or email from Hastings about the renewal – but I'm satisfied that it did notify him from the screenshots and copy letters provided.

As the policy was in place when a claim was made, and that claim was settled against Mr L, he owes Hastings the full premium. This is because the contract he undertook with the insurer was for the year. How he pays for the policy can be in full or by monthly instalments by way of a credit agreement – but that is an option the insurer gives. As Hastings explained this in its policy, and it's in most, if not all yearly policies, I don't find it unusual. So I think Hastings was reasonable to pursue Mr L for the premium. And even if Mr L considered his policy closed at the end of July, the claim was made before then – so he still owes the full year's premium.

I know Mr L doesn't think it's fair that he's being pursued for the rest of the yearly premium. But Hastings passed the matter to a debt recovery agent only after it gave Mr L a number of opportunities to settle the balance. And as I think Hastings is entitled to recover the premium, I don't think its decision to pass the matter to a debt recovery agent is unreasonable.

### **my final decision**

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 25 April 2016.

Geraldine Newbold  
**ombudsman**