

complaint

This complaint is about the service and information Mr S received from Hastings Insurance Services Limited (Hastings) when he made an amendment to his motor insurance policy.

I issued a provisional decision on this complaint in May 2020. Neither Mr S nor Hastings provided any further information.

background

On 17 January 2019 Mr S called Hastings to make a change to his policy. He was buying a second vehicle that he wanted to add to his policy and wanted to update his wife's driving licence details as she had recently passed her test and now had a full licence.

Mr S wanted to keep his monthly payments the same as they were before the changes were made so agreed to pay the sum of £574.41 to make the amendments in one payment.

On 1 February 2019 Mr S called Hastings again as he had received a letter saying his policy had been cancelled. This was investigated and it was then explained that the correct amendments were not made on the 17 January 2019 and that this was the reason his policy was cancelled.

During this call Mr S explained he had previously agreed a price for the insurance. The Hastings representative explained that £472.09 had been refunded from the additional amount he paid on that day and that £315.32 was now due to make the amendments. Mr S confirmed this was the only amount due after the refund and was happy to make the payment. The Hastings representative also reduced this payment by £20 as Mr S had previously paid an amendment fee.

Following the call on 1 February 2019 Mr S received a letter explaining a payment had been missed and that his next direct debit of £151.84 would be taken in the next few days. As his usual direct debit amount was around £60 Mr S called Hastings again to resolve the situation.

Over the 5 and 6 of February 2019 several conversations were had where the circumstances surrounding Mr S's policy amendments were discussed. Hastings agreed the service Mr S had received wasn't what he should have expected. But that his premium was correct and reflected the cost of his insurance.

To resolve the situation Hastings gave Mr S two options:

1. cancel his insurance. Hastings would then pay him £60 compensation and remove the cancellation fee. Although this would affect his no claims discount entitlement.
2. compensate Mr S £80 that would be spread over his remaining four monthly direct debits. Reducing his payments to £131.84

The Hastings representative who gave Mr S these options explained he could take his complaint further through Hastings' complaints process but that this may have resulted in a less favourable outcome for him.

Mr S asked Hastings for a better outcome considering none of the issues that had occurred were his fault, but Hastings refused. He therefore accepted the reduced direct debit option

and explained he would take his complaint to the financial ombudsman service.

my findings

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

In my provisional decision I explained why I thought Mr S's complaint should be upheld. I said:

'I have listened to all the available call recordings related to this complaint.

It's clear that on the 17 January 2019 Mr S called Hastings and gave accurate information about the amendments he wanted to make to his policy and was quoted a figure for the changes that he agreed to.

It is therefore not surprising that Mr S was upset to find his insurance had been cancelled and that he and his wife had been driving without any insurance being in place. As the reason Mr S's policy was cancelled was due to Hastings' error, I would have expected Hastings to have tried calling him or have written to him giving him some notice that things weren't correctly recorded on his policy before cancelling it.

Having listened to the second set of calls when Mr S agreed again to make a payment to continue with his insurance, I think it's clear that he was persuaded by the Hastings representative that the policy offered good value. Having received a refund from his last payment on 17 January 2019 he would only have to pay £295.32. It was very clear from this call that this would be the only additional amount Mr S was expected to pay.

It is therefore not surprising that Mr S was again upset and disappointed to see that his monthly payments had increased by over 100% in addition to the lump sum he had paid to cover the amendments.

I understand that the amount Mr S was asked to pay was an accurate reflection of the cost of his insurance but had Hastings not made so many errors when communicating with him it could have avoided the stress and inconvenience of Mr S's motor insurance being cancelled. It could also have avoided the many phone calls Mr S had with Hastings to put things right. In which he was faced with more incorrect and misleading information. I currently do not agree that the offer Hastings made Mr S is fair. I think Hastings should pay Mr S an additional £200 compensation to reflect the overall experience he encountered, which included having his policy cancelled.'

As neither Mr S nor Hastings provided any further information in response to my provisional decision I still think the complaint should be upheld.

my final decision

For the reasons set out above, I require Hastings Insurance Services Limited to pay Mr S a further £200 compensation for the trouble and upset it has caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 July 2020.

Terry Woodham
ombudsman