

## **complaint**

Mr W complains that Hastings Insurance Services Limited increased his motor insurance premium by an excessive amount after discovering an error in the date of car purchase quoted in his application. He wants it to refund the additional premium charged, pay interest on this, and also pay compensation for the trouble and inconvenience caused.

Mr W is represented in his complaint by Miss Y.

## **background**

Mr W applied for car insurance through a price comparison site. He made a number of different applications, varying details such as the main driver to see what was the best option available. He accepted a quote from Hastings.

When he received the policy documentation from Hastings and checked the key information he found that his date of birth was slightly incorrect and that the date of the insured car's purchase was shown as 2007 rather than 2013. He told Hastings about these errors and it said that because of the latter it would increase the quoted premium by just over £500. Mr W and Miss Y consider this an excessive increase. They have also since re-entered the correct data and obtained a quote only slightly increased from the original one Hastings gave. He and Miss Y also say that there was no error in the car purchase date entered when obtaining the quote.

Hastings said that it gave the original quote based on the information provided by the price comparison site, and its underwriters confirmed that a significant premium increase was appropriate when a car had only recently been purchased. It did accept that it had been slow to respond to Mr W's complaint, however, and sent him a cheque for £15 as compensation for this. Mr W and Miss Y were not satisfied with this response.

Our adjudicator did not recommend that this complaint should be upheld. He concluded, in summary, that Hastings had not made an error. He found that it had given its original quote based on the information provided by the price comparison site, and that the premium increase it made was in line with its internal underwriting policy. It was his view that the incorrect purchase date had either been entered by Mr W or was caused by an error by the price comparison site. He did, however, pass on Hastings' offer to pay Mr W a further £50 for the inconvenience caused by its poor initial handling of his complaint.

On behalf of Mr W, Miss Y did not accept the adjudicator's conclusions. She still considered the premium increase excessive, particularly when she had tried re-entering the correct details and obtained a significantly lower quote. She also referred to press reports of past Hastings pricing errors, and to Hastings' poor handling of the complaint.

## **my findings**

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

I have first considered whether Hastings made an error in quoting its original premium to Mr W. A copy has been provided of the data provided to Hastings by the price comparison site, and that shows a 2007 car purchase date. The error in this information therefore either lies in

what Mr W entered or in the data that the price comparison site passed to Hastings. I am satisfied that Hastings itself did not make an error in calculating the original premium.

I have then considered whether Hastings calculated the increased premium correctly. Its underwriting policy penalises drivers with newly-purchased cars on the basis that the drivers are less familiar and are more likely to have accidents in them. I am satisfied from the information provided by Hastings that the increased premium was calculated correctly using that underwriting policy. How an insurer calculates premiums is a matter of commercial judgement and this service does not have the power to intervene in such matters.

Miss Y has provided another quote which she says was based on the correct information and is considerably lower than the increased amount Hastings charged. However, it is not possible for me to check the data that was entered for this new quote, and it is also the case that insurers can change their underwriting policies over time.

Miss Y has provided press comment about past complaints involving Hastings, but I cannot take these into consideration here. I have to consider the specific circumstances of Mr W's complaint, and the circumstances of these other complaints differ. The press comment is also based on information provided only by one side.

I agree that Hastings' initial handling of this complaint was slow, and that it should have checked sooner the data provided to it by the price comparison site. I consider its offer of a further £50 compensation for this service failure to be fair and reasonable, and do not find further redress to Mr W for this justified.

### **my final decision**

For the reasons given above, my final decision is that I do not uphold this complaint against Hastings Insurance Services Limited. I now leave it to Mr W to decide whether he wishes to accept the offer of a further £50 compensation from Hastings for its poor initial response to this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W to accept or reject my decision before 20 April 2015.

Malcolm Rogers  
**ombudsman**