

complaint

Mr F has complained that Hastings Insurance Services Limited didn't automatically renew his motorbike insurance policy.

background

Hasting arranged a motorbike policy for Mr F in 2015 which renewed automatically. In 2017 Mr F was in an accident and afterwards learnt that Hastings hadn't renewed his policy. He complained to Hastings. It agreed that information on its online portal could have been clearer. So it offered Mr F £30 compensation but otherwise it didn't think it had done anything wrong.

Mr F brought his complaint to us. The adjudicator didn't think that Hastings had dealt with Mr F fairly. So he said it should step into the shoes of his potential insurer and deal with any claim. The adjudicator later added that it should provide Mr F with a letter saying that so he could present that to court – as he was being prosecuted for driving without insurance. The adjudicator added that Hastings should pay Mr F £400 to address his distress and inconvenience.

Hastings didn't agree so the complaint's been passed 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. Having done so, I'm going to uphold it.

Hastings has explained that the previous underwriter of Mr F's policy was no longer offering a suitable policy when Mr F's came up for renewal in 2017. So Hastings wrote to him and offered him a policy from a different underwriter. That letter said that Mr F needed to phone Hastings to confirm he wanted the policy.

Mr F says he didn't receive Hasting's letter but instead received an email telling him that "he might need to act". So he logged into his online portal – where he managed his account. Mr F's shown us a video of that process. And the portal shows a renewal policy in place with cover beginning in September 2017 and ending in September 2018. So Mr F says he thought Hastings had renewed his policy as expected and he didn't need to do anything. But, as he didn't contact it, Hastings let his old policy lapse without putting another in place.

Hastings said that the letter it sent to Mr F explained that he may be left without insurance if he didn't contact it. I agree that the letter says that, so I've thought carefully about whether Hastings did enough to bring this to Mr F's attention. I've looked at the letter and shown it to ombudsman colleagues. And having done so I don't think the letter is clear enough that Mr F needed to contact Hastings or he'd be left without insurance. That's especially the case a he was expecting it to notify him that his policy would renew and was expecting to see a letter telling him that. And even if he had noted that it said he needed to ring Hastings, I think the content of the online portal gave the clear impression that Hastings had already arranged a policy for the 2017 to 2018 insurance year. And I think it would have been reasonable for Mr F to assume that Hastings had already renewed his policy and he had no need to contact it. So I don't think I'd have expected him to examine Hastings documents more closely.

I understand that Hastings later sent Mr F a letter telling him that his previous policy had lapsed. But for reasons that aren't clear Mr F didn't receive that. While that's not Hastings' fault, I accept that if he had received it he would have taken immediate action to ensure he had suitable cover. Mr F's policy wasn't particularly expensive, he had always made his direct debit payments and he was aware of the potential consequences of riding uninsured. And given that the online portal indicated there was another policy in place, Mr F thought had no reason to expect to receive that letter, so couldn't have realised that it hadn't arrived.

It follows that I think if Hastings information, particularly on its online portal, had been clearer then I think Mr F would have ensured he had suitable cover in place. As that didn't happen, he's found himself without cover for an accident and being prosecuted for driving without insurance. That situation could have been avoided. So in order to put things right I think Hastings should essentially act as if it's stepped into the shoes of Mr F's potential insurer and cover him for his accident and deal with any claim arising from it. In doing so it may deduct from any settlement the premium the insurer would have charged. It should also provide Mr F a letter that he can present to the court to show that it's indemnified him for the accident. And, given that this episode has clearly been a source of distress and inconvenience for Mr F, pay him £400 compensation.

my final decision

For the reasons set out above I uphold this complaint. I require Hastings Insurance Services Limited to:

- Act as if it had stepped into the shoes of Mr F's potential insurer and cover him for his accident and deal with any claim arising from it. In doing so it may deduct from any settlement the premium the insurer would have charged.
- Provide Mr F with a letter explaining that it has indemnified him for the accident suitable for him to present to court.
- Pay him £400 compensation for his distress and inconvenience.

Hastings should pay the compensation within 28 days of us telling it that Mr F has accepted my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple¹.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 29 July 2018.

Joe Scott
ombudsman

¹ If Hastings considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr F how much it's taken off. It should also give Mr F a certificate showing this if he asks for one, so he can reclaim the tax from HMRC if appropriate.