

complaint

Mr G has a motor insurance policy with Advantage Insurance Company Limited, trading as Hastings Direct. He complains that it refused his request to change his car under the policy.

background

The background to this complaint was set out in my provisional decision in May 2019, an extract of which is attached and forms part of this final decision. So, I won't repeat that information here.

In my provisional decision, I set out why I intended to uphold Mr G's complaint and what I intended to direct Hastings to do to put matters right.

Hastings said it had no further comments and that its comments remained as before. Mr G said that the day before Hastings confirmed that it would insure him, he'd hired a car for a week. He said that it should compensate him for an additional week's hire.

my findings

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

I remain of the view that Hastings should have dealt with Mr G's request to change the car insured under his policy and dealt separately with any outstanding amount Mr G owed in relation to his previous policy. I think it was reasonable for Mr G to hire a car until Hastings agreed to change the policy on 12 February 2019.

I've noted what Mr G has said about the hire car charges. I've made a general enquiry of the hire car company Mr G used. It said that if a hire car is required for a shorter period than initially indicated, the hirer can amend the booking accordingly. So, on 12 February 2019, when Hastings confirmed that it would cover Mr G's new car, it was open to Mr G to amend his hire car arrangement. I don't think that Hastings is responsible for Mr G's hire car costs after it agreed to cover his new car. I think it was Mr G's choice to defer the start date of the change to 19 February 2019 and I don't think that Hastings is responsible for that.

To put matters right, Hastings should reimburse Mr G for his hire costs for the period 28 January 2019 to 12 February 2019 inclusive. As Mr G has been kept out of the use of that money, it should also pay him interest. In addition, Hastings should pay Mr G compensation of £85 in addition to the £15 it has already paid in relation to his distress and inconvenience. It's not appropriate to deduct anything from the £85.

my final decision

For the reasons set out above and in my provisional decision, my final decision is that I uphold Mr G's complaint. I now require Advantage Insurance Company Limited, trading as Hastings, to pay Mr G:

1. His car hire costs for the period 28 January 2019 to 12 February 2019 inclusive.
2. Simple interest at a rate of 8% per annum to each of these amounts from the dates they were paid to the date of settlement*.
3. Compensation of £85 in relation to his distress and inconvenience in addition to the £15 it has already paid.

*HM Revenue & Customs requires Advantage to take off tax from this interest. Advantage must give Mr G a certificate showing how much tax it's taken off, if he asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 20 July 2019.

Louise Povey
ombudsman

extract of my provisional decision

complaint

Mr G has a motor insurance policy with Advantage Insurance Company Limited, trading as Hastings Direct. He complains that it refused his request to change his car under the policy.

background

Mr G was involved in an accident and Hastings said that his car was a total loss. Mr G found a car he wanted to buy and on 25 January 2019, he asked Hastings to cover his new car on his existing policy. Hastings refused to do so, as its systems showed that it couldn't offer cover.

On 12 February 2019, Hastings discovered that the reasons its systems said it couldn't offer cover was that Mr G owed an outstanding balance in relation to a previous policy.

Hastings says that when Mr G first asked to change the policy it should have identified the reason for its refusal, so that Mr G had an opportunity to pay what was owed and insure his new car from that date. It agreed to cover Mr G's new car on 12 February 2019. At Mr G's request, the insurance began on 19 February 2019. Hastings offered Mr G compensation of £75, £60 of which it used to repay the outstanding balance on his previous policy.

Mr G says that he lost a deposit of £200 he paid in the relation to the car he wanted to buy – which he subsequently bought - and incurred hire car costs. He says that Hastings told him that he'd lost his entire no claims discount because of the accident. So, when he looked for insurance without the benefit of a no claims discount, the cost was unaffordable.

Our investigator said that Mr G hadn't been able to show us evidence of the loss of the deposit of £200, so she didn't ask Hastings to reimburse that. But she thought that Hastings should reimburse Mr G for the cost of car hire from 28 January 2019 to 18 February 2019.

Hastings didn't agree with the investigator. It said that Mr G should have bought the new car and insured it with another insurer, rather than hire a car.

my provisional findings

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

Hastings says that when Mr G first asked to change the car insured under his policy it should have identified the reason for its refusal, so that Mr G had an opportunity to pay what was owed. I don't agree with that approach. I think that Hastings should have dealt with Mr G's request and dealt separately with any outstanding amount Mr G owed in relation to a previous policy. Mr G's policy provides that Hastings will cancel his policy if he doesn't replace his car within 30 days of the settlement payment following a total loss claim. I don't think that an outstanding amount should have prevented Mr G changing the car insured under his existing policy.

I agree with our investigator that Mr G hasn't shown us that he lost a deposit of £200. So, it's not appropriate to ask Hastings to reimburse Mr G for that.

In the circumstances that arose here, I think it was reasonable for Mr G to hire a car rather than buy the car and insure it with another provider. Mr G wanted to remain with Hastings. That's understandable, as he'd recently had a claim. So, a new policy with a new insurer was likely to cost him more than if he simply changed his car under his existing policy. And Mr G says that Hastings told him that he'd lose his entire no claims discount. So, I can see why Mr G would rather not buy the car and seek insurance elsewhere.

In addition, Mr G wasn't initially aware of the reason Hastings couldn't offer him cover, so it's likely that he wanted to get this matter sorted out within the time limit set out in his policy, rather than start a new policy with another insurer.

Hastings agreed to change the policy on 12 February 2019. I think it should reimburse Mr G for hire costs from and including 28 January 2019 to 12 February 2019. As Mr G has been kept out of the use of that money, Hastings should also pay interest on that. It was Mr G's choice to defer the start date of the change so I don't think Hastings is responsible for hire charges after 12 February 2019.

Hastings should also pay Mr G for his distress and inconvenience. For a period approaching two weeks, Mr G couldn't proceed as he wished. That meant Mr G had a longer period without a replacement car than was necessary. I think fair compensation for that is £100. I understand that Hastings has already paid Mr G £15. So it should pay the balance of £85.

As I've said above, Hastings should have dealt separately with any outstanding amount Mr G owed in relation to a previous policy. So, it's not appropriate for it to deduct anything from this £85.

my provisional decision

My provisional decision is that I uphold Mr G's complaint. I intend to direct Advantage Insurance Company Limited to pay Mr G:

- 1. His car hire costs for the period 28 January 2019 to 12 February 2019 inclusive.*
- 2. Simple interest at a rate of 8% per annum to each of these amounts from the dates they were paid to the date of settlement*.*
- 3. Compensation of £85 in relation to his distress and inconvenience in addition to the £15 it has already paid.*

**HM Revenue & Customs requires Advantage to take off tax from this interest. Advantage must give Mr G a certificate showing how much tax it's taken off, if he asks for one.*