

The complaint

Mr W1 complains that Hastings Insurance Services Limited failed to renew his multicar motor insurance policy for himself and his son, Mr W2. He said this caused him a loss of £800 and he wants Hastings to compensate him for this.

What happened

Mr W1's multicar policy was due for renewal, and he called Hastings to accept its renewal quote. But Hastings didn't complete the renewal and the policy expired. When Mr W1 called it, Hastings agreed it had made an error. It was able to offer Mr W1 cover at a similar price. But the renewal price for Mr W2, a young driver, had increased significantly. Mr W1 said he found cover elsewhere for £800 more than Hastings' quote. Hastings apologised for the error and offered Mr W1 £50 compensation. But he remained unhappy.

Our Investigator didn't recommend that the complaint should be upheld. She thought Hastings had tried to help Mr W1 and its offer of £50 compensation was fair and reasonable. She thought Mr W1 and Mr W2 had found cover and so they weren't unable to use their cars. She thought we couldn't tell Hastings what price it should charge as this was set by the underwriter. And she thought there were differences between the new cover Mr W2 obtained and Hastings' cover that made the two hard to compare.

Mr W1 replied asking for an Ombudsman's review, so the complaint has come to me for a final decision. He said Hastings had agreed to renew at a price and it should be bound by this contract. He thought he'd been penalised by having to obtain cover at a higher price on the day his old policy expired.

What I've decided – and why

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

I can understand that Mr W1 feels frustrated that his multicar policy wasn't renewed as he intended. Hastings agrees it made an error in not actioning the renewal. When a business makes a mistake, as Hastings accepts it has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the error had on the consumer.

Mr W1 said Hastings was able to match the quote for his renewal. So this didn't cause him any loss. Mr W1 said he wasn't able to use his car, and this caused him a financial loss. But I haven't seen any evidence to confirm this. So I don't require Hastings to compensate him for this.

I think there has been some confusion about Hastings' quotes for Mr W2. I can see that there were differences between the cover provided in Hastings' initial quote and Mr W2's new policy: he had a different and more expensive car, different No Claims Discount (NCD) (3 years on Hastings' quote and 1 year on the new cover), different policy excesses, and a different class of use. So I can't say that these two policies are the same.

But these details were updated on a second quote from Hastings to take into account the change of car and a claim in the previous year. And the price for the new policy was then

£800 more than Hastings' previous quote. Hastings sent this quote to Mr W1, but it didn't renew the policy. When Mr W1 called it when he noticed that the policy hadn't been renewed, it said the policy had expired and it couldn't then honour the previous quote as it was based on real-time pricing.

It's not our role to tell an insurer how to price their policies or what factors they should consider when calculating a risk. Insurers regularly update how they rate the risk of consumers. And their rates continually change. So I can't say that Hastings was responsible for the increase in price quoted by the insurer.

From what I can understand, as Mr W2's policy had expired, Hastings had to refer to its underwriters to obtain a quote for a new policy. It was a long weekend, so the underwriters weren't available. So Hastings wasn't then able to offer cover for Mr W2. Mr W1 found a policy with an alternative insurer for Mr W2, and this policy was about £800 more expensive than Hastings' second renewal quote.

Mr W1 said he was forced to take this quote. But I don't agree that Hastings is responsible for his decision as I think Mr W1 could have waited a further day to see if the underwriters would offer a new policy for Mr W2. And so I don't think Hastings is responsible for the increase in price he had to pay for Mr W2's policy.

In terms of the impact of Hastings' error on Mr W1, I can see that he was caused frustration and he had to shop around for alternative cover when he otherwise wouldn't have needed to. But I think Hastings' apology and £50 compensation for his trouble and upset is fair and reasonable in the circumstances. This is because it's in keeping with our published guidance for when a mistake has caused trouble and upset over a short period. I don't require Hastings to do anything further.

My final decision

For the reasons 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 W1 and Mr W2 to accept or reject my decision before 15 December 2023.

Phillip Berechree
Ombudsman