

complaint

Mr W has complained that Hastings Insurance Services Limited sold him unsuitable motor policies and refused to return his premiums.

Mr W's been represented by Ms K. But for ease I'll refer to her actions and comments as being those of Mr W.

background

Mr W took out insurance for his moped online. He later told Hastings he had a more powerful scooter and arranged insurance for that. Mr W then twice renewed his policy with Hastings. On the first occasion that he did so, he changed his policy from third party to comprehensive cover and the insurer underwriting the policy also changed.

The police stopped Mr W while riding his scooter. They impounded it because he hadn't taken compulsory basic training (CBT) or passed his full motorcycle test. They told him that as he didn't have the appropriate licence to ride the scooter, he'd effectively been riding uninsured.

Mr W complained to Hastings. He said that he'd always told it that he hadn't passed his CBT so it should have known that the policies were no use to him. So he said he hadn't benefited from the policies and asked it to return his premiums.

I issued a provisional decision on 24 November 2016. For ease I've reproduced that at the foot of this decision. In brief I said that I hadn't seen evidence that Mr W had told Hastings he hadn't passed his CBT. And Hastings had no reason to suspect that was the case. So I didn't think Hastings had done anything wrong and didn't require it to take any further action.

Both Mr W and Hastings accepted my provisional decision.

my findings

I've considered all the available evidence and arguments again to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm not going to uphold it.

As neither Mr W nor Hastings have objected to my provisional decision I see no reason to change it.

my final decision

For the reasons set out above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 16 January 2017.

Joe Scott
ombudsman

provisional decision of 24 November 2016

complaint

Mr W has complained that Hastings Insurance Services Limited sold him unsuitable motor policies and refused to return his premiums.

Mr W's been represented by Ms K. But for ease I'll refer to her actions and comments as being those of Mr W.

Hastings is the broker of Mr W's policies. That means it acts as an intermediary between Mr W and the underwriters of his policies. In this decision I am only looking at the actions of Hastings as the brokers of Mr W's policies.

background

Mr W took out insurance for his moped online. He later told Hastings he had a more powerful scooter and arranged insurance for that. Mr W then twice renewed his policy with Hastings. On the first occasion that he did so, he changed his policy from third party to comprehensive cover and the insurer underwriting the policy also changed.

The police stopped Mr W while riding his scooter. They impounded it because he hadn't taken compulsory basic training (CBT) or passed his full motorcycle test. They told him that as he didn't have the appropriate licence to ride the scooter, he'd effectively been riding uninsured.

Mr W complained to Hastings. He said that he'd always told it that he hadn't passed his CBT so it should have known that the policies were no use to him. He also said his policy schedules said that he had a full motorcycle licence. So he said he hadn't benefited from the policies and asked it to return his premiums.

Hastings contacted Mr W's most recent insurer but it wouldn't return his premium. It said that if Mr W had an accident then it would have been liable to pay any third party claim under the road traffic act.

Mr W brought his complaint to us. The adjudicator didn't think Hastings was at fault for Mr W being stopped by the police. But he didn't think it was fair that Mr W had paid premiums for comprehensive policies but he didn't effectively get that level of cover. So the adjudicator said Hastings should refund some of Mr W's premiums equivalent to the amounts that his policies didn't cover him for.

Mr W thought that Hastings should refund all his premiums. Hastings didn't think it had done anything wrong. So Mr W's complaint's been passed to me for a decision.

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. Having done so, it's unlikely that I'll uphold it.

I will repeat here that in this decision I'm only looking at Hastings actions as the broker of the policies. So I'm not going to comment on the insurer's refusal to refund any premium.

It might help if I start by explaining that a UK driver with a provisional licence may ride a moped of under 50cc without taking any further tests. But in order to legally ride a more powerful bike then the driver must first take the CBT. That entitles them to ride a bike for two years when they must either retake the CBT or pass their full motorcycle test.

Mr W initially took out his policy online. At that time his scooter's engine was less than 50cc and so he didn't need to have taken his CBT. But, when he changed scooter, as it was more powerful, he should have taken the CBT or passed his full motorcycle test. But Mr W didn't do either of those things.

Mr W's said that he'd always told Hastings that he hadn't done his CBT. But I've seen the screen shots from when he took out his insurance online and that didn't ask any questions about whether or not Mr W had taken his CBT. It simply asked what type of licence he had.

And when Mr W added his new scooter to his policy Hastings didn't ask if he'd taken his CBT then, so it couldn't have known that the policy was no longer suitable for him.

It's Mr W's responsibility to make sure he was legally entitled to ride his scooter on the road, not Hastings'. And it had no reason to assume that Mr W hadn't taken the CBT. So I don't think it's Hastings' fault that it arranged policies for him that weren't suitable.

Hastings did mistakenly say on Mr W's policy schedule that he had a full bike licence. But Mr W knew that wasn't the case. And he rang Hastings to ask about it. Hastings confirmed that its system recorded him as having a provisional bike licence. But again the CBT wasn't mentioned. So I don't think this error in Hastings' documents means that it mis-sold him a policy.

I'm aware that, because he hadn't completed the CBT and didn't have a valid licence Mr W wasn't effectively receiving the full benefit of the cover he was paying for. But I don't think that was Hasting's fault. Indeed the policy documents say

"If you or any riders are riding under a Compulsory Basic Training (CBT) Certificate only, you must ensure that this is renewed at the appropriate time. You must ensure that all insured riders have a valid licence at all times during your period of insurance..."

So I think that it's clear that it's Mr W's responsibility to make sure he has the right certificate and licence. And, if he didn't qualify for the appropriate level of insurance cover as a result, I don't think it's fair to make Hastings refund him for the difference.

my provisional decision

For the reasons set out above its likely I won't uphold this complaint.

Joe Scott
ombudsman