

## **The complaint**

Mr W has complained that the broker, Fresh Insurance Services Group Limited renewed his car insurance policy against his wishes.

## **What happened**

Mr W bought a car insurance policy through a broker, Fresh Insurance in 2018. In February 2019 Fresh emailed Mr W a renewal notice a month before his policy was due to renew on 21 March 2019. It didn't hear from Mr W, so Fresh automatically renewed his policy as it said it would.

In April 2019 after the cooling off period Mr W called Fresh. He said he hadn't asked it to renew his policy. Mr W said he noticed the first monthly instalment had been collected from his account. Fresh said it would arrange for his policy to be cancelled, but Mr W would need to pay for the time he was insured and cancellation fees. Mr W was very unhappy about this. He said he'd returned the car to the finance company. So he didn't think he should pay anything. So Fresh said if Mr W could provide proof of the date he returned the car to the finance company – it would ask the insurer to consider backdating the cancellation of his policy to the same date.

Mr W had changed the registration plate for his car to a private one in 2018. He provided a notification from the DVLA dated 8 April 2019 – after the renewal date - with the previous registration plate details. It confirmed he was no longer the registered keeper of the car. Mr W said Fresh asked him for further information as the registration details weren't the same as the registration details at renewal. Mr W said he didn't provide further information.

Mr W asked us to look at his complaint. He said he didn't have easy access to emails. He believes Fresh should have sent the renewal invitation by post.

Our investigator thought Fresh had acted reasonably. It had given Mr W sufficient notice of the renewal by email and text message. As it didn't hear from Mr W, it had correctly renewed his policy to prevent him from driving uninsured. It didn't receive enough information to show Mr W had returned his car to the finance company before the renewal date, so it hadn't asked the insurer to backdate the cancellation.

Mr W didn't agree. He provided a copy of a cover letter and certificate of insurance showing a change of registration details in 2018. Mr W said this was sent to him by post.

So the case has been passed to me to decide.

## **What I've decided - and why**

Fresh Insurance's Terms of Business say the following:

### *“Renewal of your policy*

*We will inform you if we are able to offer automatic renewal and we may renew your policy automatically each year unless you request otherwise. If you are paying by monthly instalments, your finance company will issue a new agreement and will then continue to collect direct debits from your account. If the direct debit fails we may need to debit the card from which the original deposit was taken to ensure continuity of cover. If you paid in full we will collect the renewal premium from the same card. You will receive a renewal invitation from us and this will normally be issued 21 days prior to your renewal date. To ensure your payment processes correctly we will debit cards seven days before renewal unless you advise us otherwise. Insurers do not provide a period of grace to renew your policy. If we are not able to offer an automatic renewal, your renewal invite will state this and you must contact us in good time prior to your renewal to ensure continuous cover is in force.”*

I appreciate that Mr W may have received amendment documents from Fresh by post in 2018 when he made changes to his policy. But I don't think this means Fresh was unreasonable for sending the renewal information by email to Mr W. And I haven't seen anything to show that Mr W asked Fresh to only communicate with him by post.

I understand Mr W feels Fresh shouldn't have renewed his policy. But I think it gave Mr W proper notice of its intention to renew his policy. And as it didn't hear from him, the renewal went ahead.

The DVLA document that Mr W provided is dated 8 April 2019 and records that he is no longer the registered keeper of the car. But the registration details are different to the registration details on the renewal notice. And as it's dated after the renewal date of Mr W's policy, I don't think it was enough for Fresh to ask the insurer to consider backdating the cancellation.

Fresh said that Mr W's insurer charged him a separate cancellation fee of £30. I don't think it was unreasonable for Fresh as the broker to charge its cancellation fee as it arranged the policy. But we don't generally think it's fair for a consumer to be charged two sets of cancellation fees. So Mr W can contact the insurer directly about the cancellation fee they charged him. If he remains unhappy, he can ask us to look at things for him – as the insurer is a separate business to the broker, Fresh.

I appreciate Mr W will be disappointed with my decision. But I think Fresh gave sufficient notice of its intention to renew Mr W's policy. As Mr W didn't contact it until after the renewal date, I think Fresh charged its cancellation fees in line with its Terms of Business which it sent to Mr W before the policy started.

### **My final decision**

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 W to accept or reject my decision before 16 June 2020.

Geraldine Newbold  
**Ombudsman**