

The complaint

Mr A is unhappy that Coverwise Ltd have renewed his travel insurance without him asking them to do so.

What happened

Mr A took out an annual travel policy with Coverwise in May 2018.

The policy automatically renewed in May 2019 and Mr A has said he was not aware of the renewal until he saw that the premium had been taken from his bank account..

In July 2019 Mr A wrote to Coverwise to ask that the payment for the policy be refunded and confirming that he had not authorised them to renew the policy or take payment.

Coverwise says it wrote to Mr A in April 2019 to notify him that the policy would automatically renew. So it was satisfied it had acted in line with the information it had provided to Mr A, and in line with the terms of the policy. Coverwise also explained that it allows an extended cooling off period of up to 31 days for unwanted automatic renewals beyond their standard 14-day cancellation period. But that since Mr A's policy had been in force for over 31 days it was unable to offer a refund of the premium.

Mr A was unhappy with the response he received from Coverwise. Mr A said that when he took out the original policy it was not explained to him that it would automatically renew, and that if Coverwise had made him aware of the auto-renewal he would have stopped it. Mr A also stated that he did not receive a warning of any 31-day period to cancel the renewal. In their final written response Coverwise said it didn't think it had done anything wrong. Coverwise reiterated that Mr A was made aware of the automatic renewal when the policy was taken out and had sent Mr A a reminder before the renewal took place. Coverwise said that since the renewal process was followed correctly, and the policy terms and conditions had been adhered to it wouldn't be changing its position. So it was unable to offer Mr A a refund.

Our investigator thought that Coverwise had acted fairly. Mr A didn't agree and said it wasn't clear when he took out the policy that it would renew automatically. He did not receive any letters regarding the renewal and he disregarded the emails from Coverwise, as he didn't appreciate the consequences of doing so

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.

When Mr A took the policy out in 2018, he did so online. I have seen a screen capture of the relevant part of the application Mr A would have seen at this time. It says the following;

'Please Note

To save time and effort we'll contact you next year with your new quote

and use the details you've already given us to renew your policy. Of course you can choose not to renew or to change your details at any time'

There is no link or box to tick to opt in or out of auto-renewal but I think the information as presented is clear enough. It highlights that the policy would renew automatically.

There was also information provided within the policy summary and schedule Mr A was provided with that details information on the renewals process, as well as what to do if a policyholder wishes to cancel the policy. So I think Mr A was made aware of this process from his policy's inception.

I have been provided with a copy of the email sent to Mr A notifying him of the renewal. This explained Mr A's policy would renew the following month. I think this gave him sufficient notice that the policy would begin soon.

Under the section '*What you need to do now*' there were instructions on how to cancel the renewal either by telephone or email. The email was sent to Mr A's email address in April 2019. The email clearly explained the position, and what Mr A needed to do if he didn't want the auto-renewal to happen. I haven't seen any evidence to show Mr A then said that he didn't want to renew the policy. So, I think Coverwise acted fairly in renewing the policy as it did.

Mr A has confirmed to this service that he disregarded any emails he received from Coverwise. I don't think I can reasonably hold Coverwise responsible for Mr A's decision not to read the email.

I note that Mr A has

concerns regarding the practice of auto-renewal in general. This is standard practice amongst many insurers. It is beyond my powers to compel a business to amend its practices where a business decision has been made. My role here is to consider whether the practices are fair and reasonable. Whilst I understand Mr A's position, I'm satisfied that Coverwise made Mr A aware of the auto renewal and he was provided with a reasonable period of time to cancel the renewal should he have wished to do so.

My final decision

For the reasons I have given 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 A to accept or reject my decision before 2 October 2020.

Kiran Clair
Ombudsman