

Complaint

Mr W's complaint is that his motor insurance policy renewed by his broker Be Wiser Insurance Services Ltd, despite him telling them he didn't want it to be automatically renewed. He's unhappy that he's paid premiums for a policy that he didn't want.

Background

On 1 April 2019, Mr W called Be Wiser to discuss his policy. He told the call handler he didn't want the policy to be renewed. He was told that as he was not in the renewal period this couldn't be processed. And he would have to wait until the renewal cycle started to confirm he didn't want the policy to continue.

On 16 April, Be Wiser sent Mr W an email with details about the renewal of his policy. A further email on 29 April was sent to Mr W, which said the policy would auto renew and nothing was needed from him for his cover to continue. As Be Wiser didn't hear from Mr W the policy renewed on 9 May.

On the 17 June, Mr W contacted Be Wiser after noticing his bank account had been debited two payments. He asked for the policy to be cancelled from the start and any money he'd paid, be returned as he no longer had the insured vehicle. Be Wiser cancelled the policy on 24 June but said that Mr W needed to pay an outstanding balance that was due. They also said, if Mr W could provide proof of sale of vehicle, they would ask the underwriter to backdate the cancellation of his policy.

Unhappy with what Be Wiser said, Mr W raised a complaint. Be Wiser said they had attempted to contact Mr W and sent him letters via email about his renewal. They also said he was sent confirmation of his policy documents once his policy had automatically renewed. Mr W said he had changed email address, so didn't receive the emails. As a gesture of goodwill, Be Wiser agreed to waive their charges to the cancellation that applied to the policy, which resulted in the outstanding balance due being reduced. But they still said Mr W needed to pay this.

Mr W wasn't happy with the response, so he referred his complaint to this service. One of our investigators looked into the complaint. She thought that Be Wiser had acted reasonably in the circumstances. Mr W didn't agree and so the case has been passed to me to decide. Mr W raised the following points:

- He had no intention of renewing the insurance and this is clear in the recording of the telephone call he had with Be Wiser. He didn't express any consent or approval for a new contract.
- The vehicle was transferred to a garage, which has commercial insurance to cover the vehicle. The vehicle wasn't in his possession from April 2019, so there was no reason for him to renew the insurance.

- Be Wiser's assertion that the only email address it had on file was his old work email address is untrue. When he cancelled his direct debit, he received an email from Be wiser on 7 June 2019 to his personal email address.

Findings

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

Mr W says Be Wiser renewed his policy without his consent and that he only found out about it a few months later when he discovered premium payments being taken from his account.

In general terms, I don't think it's wrong for a broker or an insurer to set up a policy to automatically renew - provided it's clearly explained it will do this to the customer. There are potentially serious consequences for driving uninsured. So by automatically renewing, it can help protect customers from the risks of driving uninsured because their policy has expired.

I've considered whether Be Wiser made Mr W sufficiently aware of the automatic renewal and gave him enough information about how to cancel. I can see that when he took out the policy in 2018, Be Wiser sent him their Terms of Business. That says under the heading Renewals:

"If you elect to pay for your policy by direct debit the renewal advice will confirm the new monthly instalments. These will be taken by direct debit and the policy will automatically renew unless we receive your advice to lapse the policy."

Mr W was paying for his policy by direct debit. So I think he was given enough information to understand that the policy had been set up to automatically renew.

Mr W says during a telephone call on 1 April 2019, he told Be Wiser that he didn't want the policy to be renewed. I've listened to a recording of that call. I agree that Mr W did ask for the policy not to be renewed. The call handler responded by saying that it wasn't possible to accept the instruction as Mr W's policy wasn't in the renewal cycle. The call handler said she would make a note but couldn't guarantee the instruction would be acted on. She said that Mr W would need to wait till he got the renewal documents sent to him and at this point he could confirm he didn't want to continue with the insurance. Mr W accepted the explanation. So I think Mr W was aware that his request for the policy not to be renewed hadn't been processed during this call.

Later in April 2019, Be Wiser did go on to send renewal information to Mr W. Again, I've reviewed this and am satisfied it gave clear instruction of what Mr W needed to do if he didn't want the policy to renew. Mr W didn't respond, so the policy was renewed as explained in the documentation.

Mr W says he didn't receive the emails about the renewal from Be Wiser as they were sent to an old email address. The renewal information was sent to the address Mr W provided when he first took out the policy. He says this was an old work address and he did provide his current email address to Be Wiser. Be Wiser say the only address they held at the time of the renewal was the original address.

Mr W has provided some evidence that he believes supports that Be Wiser were aware of his current address. He has sent a copy of an email from Be Wiser to his current address (dated from June 2019) confirming the cancellation of the policy. As this was dated after the renewal documents were sent, I don't think it is strong evidence to support that Be Wiser

were aware of the new address when it sent the renewal information in April 2019. Mr W forwarded a second email from the company that provided the credit to pay for the insurance. This was sent to his current email address and is dated from January 2019, before the renewal. However, the credit provider is a completely separate company to Be Wiser. Be Wiser have confirmed that the credit provider didn't give them any information about a new email address for Mr W. So again I don't think this is strong evidence that Mr W told Be Wiser about a change to his email address.

Based on this, I don't think Be Wiser have acted incorrectly by sending the renewal information to the Mr W's old email address. The balance of evidence doesn't support that Mr W informed them that this wasn't the correct address. So I don't find that Be Wiser are responsible for Mr W not receiving the renewal information.

Finally, Be Wiser has said they would ask the insurer to backdate the cancellation if Mr W could provide evidence that he no longer owned the car and it was insured by someone else. He initially said he sold the car but has since clarified that he gave it to a garage. I'm satisfied Mr W has been given sufficient time to provide this evidence. He has sent some evidence to support that he no longer has the vehicle. However, this shows that the ownership of the vehicle was transferred in July 2019, which is after the renewal – and after the policy was cancelled. So I don't think this helps show the vehicle was owned and insured by someone else when the insurance renewed. Mr W says he hasn't had the vehicle since April. But he hasn't been able to provide any evidence that the vehicle was insured by someone else at the time of renewal.

I understand that Mr W will be disappointed but, for the reasons above, I don't think the available evidence supports that Be Wiser have caused him a loss. As a gesture of goodwill it has waived the cancellation charges it applies, this seems fair and reasonable to do. I don't think it needs to do anything further.

My Final Decision

My final decision is that I don't uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 24 April 2020.

Daniel Little
Ombudsman