

The complaint

Mr O complained his car insurance provider, Hastings Insurance Services Limited, trading as Hastings Direct renewed his car insurance policy automatically without his consent.

What happened

Mr O took out a car insurance policy with Hastings Direct however when he came to renew it the premium had increased by over £400. Because of this Mr O says he arranged car insurance with an alternative insurance provider. However, Mr O's policy was set up to renew automatically after 12 months. Hastings sent Mr O a letter in month 11 of his policy letting him know his policy would renew in one month with a new total price of £1,187.66 compared to the £731.98 he had previously paid. This would work out at a monthly price of £98.97.

Hastings asked Mr O to check the cover still suited his needs and advised that he could consider getting cover elsewhere. The letter also stated that unless Mr O told Hastings otherwise his policy would automatically renew, and new insurance documents would be uploaded to his online account. The letter provided a phone number to call if Mr O didn't want his policy to automatically renew or if he would like to discuss or change any details. I can also see that Hastings sent this information to Mr O in an email before his renewal took place as well where they asked him to log into his account (to which a link was provided) and check his cover and update any details which had changed.

Mr O did contact Hastings to cancel his policy after the first payment for the second year was taken but he did this after the 14-day cooling off period so there was an outstanding amount to pay. In its final response letter, Hastings said it wouldn't uphold Mr O's complaint as the correct process had been followed so Mr O complained to us.

Hastings has provided a copy of the insurance documentation it sent to Mr O when he took out the original policy. It states that they automatically renew most policies and if a policyholder wishes to opt out of the automatic renewal process they need to contact the customer services team on the phone number provided. I have also seen the renewal documentation email sent to Mr O letting him know his policy had been renewed and including a link to his online account with Hastings.

Three weeks after this Mr O contacted Hastings saying he hadn't consented to his policy being renewed. Hastings said in order to backdate the cancellation they needed to see evidence Mr O had other insurance in place, otherwise there would be a cost to cancel the policy. However Mr O didn't share this information with Hastings.

Hastings told us they turned off the auto renewal for the next year and searched for any record of other insurance on Mr O's vehicle. As it couldn't find proof of other insurance Hastings didn't cancel the policy to avoid Mr O driving uninsured. Hastings provided screenshots of two searches it did on the Motor Insurance Database.

Mr O cancelled the Direct Debit to Hastings. Hastings sent Mr O a number of letters and emails for some weeks asking him to arrange for either a new direct debit to be set-up or for the full balance to be paid. As new payment details weren't received by Hastings, it cancelled the policy as advised. On cancellation of the policy Hastings sent a letter and

email confirming this to Mr O with a breakdown of charges showing there was an outstanding balance of £114.88.

Mr O was later informed, by further letters and emails from Hastings that if they didn't receive the outstanding debt it would be passed to a debt collection agency, which would incur a fee of £25.

Mr O says he was unable to log into his online account with Hastings and I can see he was sent a password reset link however I haven't seen any further evidence of Mr O being unable to access his online account.

Our investigator didn't uphold Mr O's complaint however Mr O disagreed with this and asked for his case to be reviewed by an Ombudsman.

What I've decided – and why

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I agree with our investigator and I've decided not to uphold Mr O's complaint and I'll explain my reasons.

Mr O's policy was set up to automatically renew. He was informed of this in the policy documents he received when he took the policy out. He was also informed his policy was going to automatically renew a month before it happened and was contacted when the policy had renewed letting him know it had happened. It was open to Mr O to remove the automatic renewal, but he didn't do so.

When Mr O did contact Hastings they told him they would cancel and backdate the policy so that he could have a refund of the premium if he provided proof of insurance elsewhere, but Mr O has not done this.

I cannot see that Hastings have acted unfairly and while I can see this might be a disappointing decision for Mr O I think it is a fair one.

My final decision

For the reasons I have outlined above it is my final decision that Mr O's complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 2 May 2021.

Sarah Scott
Ombudsman