

## The complaint

Mr K and Mrs K are unhappy with the service provided by Hastings Insurance Services Limited (Hastings) when dealing with cancellation of their car insurance policy.

## What happened

(Although both Mr K and Mrs K are party to this complaint, as Mr K has primarily dealt with the complaint, for ease of reference, I have referred to Mr K primarily throughout this final decision.)

In November 2018 Mrs K took out a car insurance policy with Hastings at a cost of £209.47. Mr K was included as a named driver. Mrs K was sent a welcome pack from Hastings including details about her policy.

The cover summary explained:

*'We automatically renew most policies. This means if one of our insurers offers you a premium, we'll send you a renewal invitation at least 21 days before your policy's due to end. Your new insurance cover will start on your renewal date, 21st November 2019.'*

*'If you don't want us to renew your policy, or wish to opt out of the automatic renewal process, please let us know before your renewal date by contacting our customer services team.'*

The insurance product information document explained:

*'When does the cover start and end?'*

*'Unless you've told us not to, we'll automatically renew your policy on your renewal date. If you don't want to renew, or you want to opt out of the automatic renewal process, make sure to tell us before your renewal date.'*

The policy booklet had a section explaining *'Who can speak to us about your Policy'*. The table showed that cancellation of a policy could only be discussed with the policyholder.

In November 2019, Mrs K was sent a renewal email from Hastings offering a new policy for £231.86 starting 22 November 2019. Mr K searched online through a comparison site and found a policy matching what Hastings were offering at a cost of £205.61. Mrs K purchased this policy online.

Mrs K tried to cancel her policy using her online account, before it automatically renewed. Mrs K was unable to do this, and was directed to call Hastings instead. Mr K tried to cancel the policy by calling Hastings, but Hastings explained they were unable to accept instruction from Mr K to cancel because the instruction had to come from the policyholder only. Mrs K called Hastings the next day to cancel the policy. She was sent confirmation of this on 19 November 2019.

Mr K complained to Hastings about not being able to cancel as the named driver on the policy. Mr K also complained to Hastings about them not offering the option to opt out of auto-renewal when the policy was first taken out in November 2018, or through the online account.

Hastings responded to Mr K's complaint on 4 December 2019, saying that the process to only deal with cancellation of a policy with a policyholder is in place to protect all customers, and their data. Mr K was unhappy with this response, and brought the complaint to the Financial Ombudsman service.

The investigator found that Hastings had acted fairly, and in line with the policy information provided when the policy was taken out. Mr K rejected these findings, saying:

- *Our complaint was and is that Hastings having initially set the policy automatically and unchangeably to auto-renew, Hastings did not have a button to press on their logged-in internet dashboard to cancel the auto-renew*
- *You wrongly state that the FCA's current consultation on Duty of Care to customers...are for new rules*

As the complaint couldn't be resolved, it has been passed to me for decision.

### **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.

Having reviewed the evidence I don't think Hastings need to do anything in settlement of this complaint. I can understand this is likely to come as a disappointment to Mr K and Mrs K but I hope my findings go some way in explaining why I've reached this decision.

I've focused my comments on what I think is relevant. If I haven't commented on any specific point it's because I don't believe it's affected what I think is the right outcome.

Mr K has referenced the rules and guidelines set by the Financial Conduct Authority (FCA) on auto-renewals. The FCA's website discussing these proposals explain *'The pricing, auto-renewal and data reporting remedies come into effect on 1 January 2022.'* These rules were not in place at the time of Mr K's complaint. I have applied our principles of fair and reasonable when reaching a decision on this complaint.

Mr K feels *'Hastings having initially set the policy automatically and unchangeably to auto-renew, Hastings did not have a button to press on their logged-in internet dashboard to cancel the auto-renew'*. I've considered Mr K's comments alongside what's happened on this complaint. I appreciate Mr K feels strongly that Hastings ought to have had better and easier options in place for customers to opt-out of auto-renewals, at the time of taking out insurance, and/or on their website once insurance has been agreed.

When Mrs K took out her policy she was sent information in her welcome pack explaining that her policy would be automatically renewed, unless Hastings receive notice that Mrs K didn't want this to happen by *'contacting [their] customer services team.'* This information was explained in the cover summary and insurance product information document.

I think Mrs K was provided with reasonable and sufficient information about what she'd need to do to opt out of auto-renewal. Mrs K was in a position to make an informed decision on whether taking out insurance with Hastings was the right option for her, given the information

provided on auto-renewal and how to opt out of this process. As Mrs K continued with the policy at the time, I'm satisfied that she understood and agreed to the auto-renewal process impacting renewal of her policy.

I have reviewed the information shown in the policy booklet. This reasonably explained that Hastings could only discuss cancellation of the policy with a policyholder. I appreciate Mr K feels this made the process more difficult than it already was, as there was no way of cancelling the policy through Mrs K's online account. However having considered what Hastings have explained about the security risk of permitting cancellation of a policy by anyone other than a policyholder, and the information provided in the policy booklet about this, I can't say their actions were unfair or unreasonable.

Although I appreciate the frustration and upset caused to Mr K and Mrs K by Hastings' business processes, I am satisfied these actions were in line with the policy terms and conditions explained when the policy was taken out. Because of this, I won't be asking Hastings to do anything in settlement of this complaint.

### **My final decision**

For the reasons provided I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs K to accept or reject my decision before 10 December 2021.

Neeta Karelia  
**Ombudsman**