

## **The complaint**

Mr C complains Atlanta 1 Insurance Services Limited Trading as Swinton Van (Swinton) incorrectly renewed his motor insurance policy.

There are several parties and representatives of Swinton involved throughout the claim but for the purposes of this complaint I'm only going to refer to Swinton.

## **What happened**

Mr C is the owner of a van that was insured through Swinton.

In May 2021 the motor insurance policy was auto renewed by Swinton. Mr C said he had cancelled the auto renewal, but Swinton said it had no record of this.

After investigating the issue it was found that Mr C had requested cancellation of the auto renewal of a different van that was also insured through Swinton.

Mr C's motor insurance policy was cancelled on 15 July 2021.

Mr C said that the insurance on the van was not needed as it was parked up and stored in his garage and not being used. He said he had insured the van through another insurer from 3 July 2021.

Swinton did not accept Mr C's complaint as he did not inform it that he did not wish to renew his policy.

As Mr C was not happy with Swinton, he brought the complaint to our service.

Our investigator didn't uphold the complaint. He did not think Swinton had done anything wrong in auto renewing his policy as it had not been notified to cancel it. But he did think that Swinton should refund payment when Mr C's van was dual insured.

As Mr C is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

## **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.

### ***Policy renewal***

Mr C was the owner of two vans. He insured both vans separately through Swinton.

One policy was due for renewal in February 2021 and the second van's policy was due for renewal in May 2021.

In February 2021 Mr C contacted Swinton to cancel the renewal on the policy that was due to end in February 2021. The policy was not renewed.

In May 2021 Swinton sent a renewal invitation to Mr C for the second van. The cover was due to expire at the end of May 2021. Reminders were sent on 4 May 2021 and another on 24 May 2021. Both letters referred to automatic renewal of the policy and it was by direct debit from the account details Mr C had supplied the year before.

As Mr C did not contact Swinton it renewed the policy.

Mr C contacted Swinton on 12 July 2021 when he realised the policy for his van had been renewed. Swinton told him it had auto renewed his policy in line with its normal process because it had no record of him contacting it to cancel the renewal. Mr C said he did not want the policy to renew. He also said he had cancelled the direct debit.

Mr C said he had not received any renewal letters either in the post or by email. I checked this and found that he had changed address near the date the policy had renewed. However the first letter was sent on 4 May 2021 so it should have been received. And the email address the reminder had been sent to was correct.

Mr C said that he had tried to contact Swinton on the phone without success. He said; *"in desperation he sent an email to the only address he held for Swinton to cancel the policy."* I have checked the evidence that Mr C supplied and found it was an email for cancellation of the first policy in February 2021 and not the policy that was renewed in May 2021.

I have considered the reasons Mr C gave for not contacting Swinton until July regarding the renewal of his policy. He had moved to a new house but had not informed Swinton of his new address as he thought he was no longer insured. I cannot hold Swinton responsible for this delay as it had sent renewal information to Mr C more than three weeks before he moved address in addition to sending it by email.

Swinton said as it had no evidence of Mr C informing it that he wanted the second policy to be cancelled in May 2021 it did not uphold his complaint.

Swinton informed Mr C the policy renewal was due and how it would renew it by both post and email. I do not think it needed to do anymore. I haven't found any evidence of instruction from Mr C to cancel the motor insurance policy, so I do not think that Swinton did anything wrong by auto renewing the policy by monthly direct debit.

### ***Refund***

Swinton said if Mr C provided evidence of alternative insurance cover on the van it would consider returning the cost of the premium that covered that period of time to him.

Mr C provided evidence that he had insured the van with another insurer from 3 July 2021. Swinton agreed to accept this and said it would refund the premium charged to him from 3 July 2021 and 15 July 2021. It agreed to return 13 days premium.

Mr C disagreed and said he wanted a full refund. Mr C said his van was in the garage having work done from May 2021 and so he did not think he required insurance.

It's a legal requirement that all vehicles in the UK are insured. Mr C's van wasn't registered with a 'Statutory Off-Road Notification' (SORN) or insured elsewhere, between 31 May 2021 and 3 July 2021, so I think that Swinton have been fair in charging for this period of cover.

The refund due to Mr C has been calculated as £9.62. Swinton said as there is an outstanding balance on his account the refund would go towards clearing that.

The outstanding balance on Mr C's account is made up of the policy cost up to 15 July 2021, plus set up fee and cancellation cost.

Mr C disagreed with Swinton's offer and felt some compromise in these costs could be offered by Swinton.

I don't think it's unfair for an insurer to charge a fee for setting up and cancelling a policy, provided these fees are reasonable and clearly explained. Fees are charged to cover costs incurred when setting up and making changes to a policy. The fees charged to Mr C's account by Swinton are clearly detailed in the renewal information that was sent to Mr C. Although I accept he said he didn't receive anything.

Taking everything into account I think Swinton has acted in line with the motor insurance policy terms and conditions and it hasn't done anything wrong. I think Swinton have charged fees fairly and the fees are reasonable. I do not think they are too high.

I understand Mr C will be disappointed with my decision, but I agree with the investigator's conclusions for the same reasons.

I don't think Swinton has done anything wrong when it auto renewed Mr C's policy. And the outstanding balance on his account has been fairly calculated. I'm partially upholding his complaint as I require Swinton to refund the policy premiums for the 13 days the van was covered with an alternative policy.

### **My final decision**

For the reasons I have given I partially uphold this complaint.

I require Atlanta 1 Insurance Services Limited to refund £9.62 to Mr C's account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 10 May 2022.

Sally-Ann Harding  
**Ombudsman**