

The complaint

Mr and Mrs M complain that Coverwise Ltd auto-renewed their annual travel insurance policy.

As Mrs M brought the complaint, for ease of reading, I've mainly referred simply to her.

What happened

Mrs M took out an annual travel insurance policy in November 2018, which was due to automatically renew in November 2019. Coverwise sent Mrs M a renewal quote ahead of the renewal date and Mrs M got in touch with Coverwise to opt out of the renewal.

Later in November 2019, Mr and Mrs M took out another policy through Coverwise. This policy was due to expire on 18 November 2020. On 28 October 2020, Coverwise sent Mrs M an email which explained that the policy was scheduled to auto-renew for a further 12 months. The email also included a renewal quote for the following year. As Coverwise didn't hear from Mrs M, the policy renewed in November 2020.

In October 2021, Coverwise sent Mrs M a further renewal quote. At this point, Mrs M contacted Coverwise to opt out of renewal. She was unhappy that the policy had auto renewed in 2020. She said she hadn't received the renewal information in 2020. And she said that given the country had been in 'lockdown' in November 2020, due to the impact of Covid-19, she definitely wouldn't have gone ahead with auto-renewing. She'd taken out a new policy elsewhere in August 2021, as she hadn't realised she already had insurance. She requested a refund of the 2020-21 premium.

However, Coverwise didn't think it had made an error and therefore, it didn't agree to refund Mrs M's premium. So Mrs M asked us to look into her complaint.

Our investigator didn't think Mrs M's complaint should be upheld. She felt Coverwise had shown it'd sent Mrs M a renewal email in October 2020. And she didn't think Mrs M had got in touch with Coverwise to opt out of the renewal. So she didn't think it needed to refund the premium Mrs M had paid.

Mrs M disagreed. She didn't think Coverwise's email evidence was proof that she'd received it. If she'd done so, she said she would've contacted it to cancel the auto renewal. She also said that she hoped complaints being made about the auto renewal process will lead to companies being required to have an 'opt-in' rather than opt-out renewal process.

The complaint's been passed to me to decide.

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 done so, whilst I'm sorry to disappoint Mrs M, I don't think Coverwise has treated her unfairly and I'll explain why.

First, it's important I make clear our role. We're not the industry regulator. So we have no power to fine or punish the financial businesses we cover. Nor can we tell financial businesses to change their procedures or processes. Our role is to look into individual complaints to decide whether a financial business has done something wrong, which has caused a consumer to lose out.

I should also make clear that Coverwise wasn't the underwriter of Mrs M's policy. It acted as the policy broker and it collected premiums on the insurer's behalf. I note that the insurer's policy terms and conditions contain a term which states that if a policyholder still meets its eligibility criteria, it will seek to automatically renew a policy. As such, Coverwise wasn't responsible for the drafting of the term in the contract.

It's common ground that when Mrs M received the auto renewal notification in October 2019, she contacted Coverwise to opt-out of auto renewal. It's also agreed that Mrs M later took out another annual policy through Coverwise, which began in November 2019. This policy included the auto renewal term I've referred to above.

Accordingly and in line with the terms of the insurance contract, Coverwise emailed Mrs M on 28 October 2020 to provide a renewal quote and to confirm that the policy was due to renew. I appreciate Mrs M says that she didn't receive a copy of this email and I've thought about this carefully. But I've seen a copy of the email, which was sent at 5.24 on 28 October 2020 and which was addressed to the email address Coverwise usually used to correspond with Mrs M. This email set out that Mrs M's existing policy was due to renew on 18 November 2020 and that it was scheduled to auto renew for a further 12 months. The email also included a box which was titled 'What you need to do now'. This said:

'If you would like to make any change to your policy details or wish to cancel your renewal, please contact our UK Sales and Service office...

However, if you are satisfied that your existing policy continues to meet your needs, your details are unchanged, and you are happy with your quotation, you do not have to do anything...

We will apply for payment of the quotation 2 days before expiry and will automatically renew your existing policy and let you know when your new policy is issued. We will send your documentation to your registered email address.'

In my view, the available evidence shows that it's more likely than not that Coverwise did send Mrs M the renewal email, even if she didn't receive it. I think the wording of the email is sufficiently clear to alert Mrs M to the fact that the policy was due to renew and what she'd need to do if she didn't want this to happen. And Coverwise says it didn't receive any contact from Mrs M, asking it not to renew the policy. So I don't think it made any error when it processed the auto-renewal.

I've also considered a screenshot Mrs M has provided which shows emails she received from Coverwise. While I accept the email of 28 October 2020 isn't listed, I can see an email from Coverwise dated 16 November 2020 and titled '*Your Coverwise Travel Policy – information regarding your Coverwise travel insurance.*' This email was sent two days before the old policy was due to expire and it seems to me, given the detail set out in the renewal email, that it was likely to confirm the policy had auto renewed and that the new premium had been taken. If Mrs M wasn't happy that the policy had auto-renewed, it was open to her to contact Coverwise on receipt of this email and to cancel the policy within the 14-day cooling-off period. It's possible that this email was directed to Mrs M's 'junk' email folder. But I can't fairly or reasonably hold Coverwise responsible for any direction of Mrs M's emails by her email provider.

Mrs M says that given the country was in lockdown at the point of renewal, she wouldn't have agreed to take out the policy. It's important I make clear that Coverwise didn't retain the premium it collected from Mrs M – it collected the payment on behalf of the insurer. And as I've said, Coverwise wasn't insuring Mrs M during the policy year – the underwriter was. But as I've set out above, I think Coverwise's renewal email was most likely sent to Mrs M, along with subsequent renewal documentation. I find the renewal quote was sufficiently clear and I don't think Coverwise did anything wrong when it renewed her policy. So overall, I'm not telling Coverwise to refund Mrs M's premium.

My final decision

For the reasons I've given above, 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 M and Ms M to accept or reject my decision before 7 December 2022.

Lisa Barham
Ombudsman