

The complaint

Mr W complains about One Call Insurance Services Limited trading as One Click (“OCI”) and his inability to cancel the automatic renewal feature contained within his policy at the time he purchased it.

What happened

The claim and complaint circumstances are well known to both parties, so I don’t intend to discuss them in detail. But to summarise, on 22nd August 2023, Mr W purchased a motor insurance policy sold by OCI via an online comparison website. But Mr W was unhappy that at the time of purchase, he was unable to opt out of the policy’s automatic renewal. So, he raised a complaint about this.

OCI responded to the complaint and didn’t uphold it. They thought they had acted fairly, and in line with industry guidelines, by providing Mr W with information relating to the automatic renewal, and how to opt out of this, at the time of purchase and within the policy documents. And they noted Mr W had successfully opted out of the automatic renewal on the day he purchased the policy before the policy itself inception. So, they didn’t think they needed to do anything more. Mr W remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and didn’t uphold it. They thought OCI provided a reasonable level of information explaining to Mr W how to opt out of the automatic renewal at the policy inception, and within the policy documentation. And they noted Mr W was able to opt out. So, they didn’t think Mr W lost out and because of this, they didn’t think OCI needed to do anything more.

Mr W didn’t agree, and he referred to guidelines set out in the Insurance Conduct of Business Sourcebook (“ICOBS”), provided by the industry regulator the Financial Conduct Authority (“FCA”), which he felt OCI had failed to act within. So, he thought the complaint should be upheld. As Mr W didn’t agree, the complaint has been passed to me for a 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 done so, I’m not upholding the complaint for broadly the same reasons as the investigator. 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.

I note that in OCI’s response to Mr W’s complaint OCI referred to an issue Mr W found with their complaint handling process. While I note Mr W hasn’t commented on this further, I think

it would be useful for me to explain any complaint regarding OCI's complaint handling processes falls outside of our service's jurisdiction as complaint handling is classified as an unregulated activity. So, I won't be commenting on this issue further.

Instead, I've focused on what I believe to be the crux of Mr W's complaint, which centres around his inability to opt out of the automatic renewal feature contained within his motor insurance policy at the time he bought the policy.

I've considered all the comments Mr W has made regarding this issue, including his references to ICOBS and in particular, rule 6A.6.6. Having read this rule, it does state that *"A firm must allow the consumer to exercise their right to cancel the automatic renewal feature: (1) at the time the consumer purchases the policy and at any time during the duration of the policy; and (2) free of charge"*.

And after reviewing the evidence available to me, I think it's accepted that Mr W wasn't able to opt out of the feature during the payment process itself. So, I can understand why Mr W feels this rule has been breached and wants to be compensated for this.

But as well as considering the rules set by the FCA, our service must also consider the impact caused to a customer. And compensation will only be awarded if our service is satisfied there has been an impact significant enough to show a customer has been inconvenienced or caused undue and unnecessary distress.

In this situation, I'm satisfied that while Mr W wasn't able to opt out during the payment process itself, I do think OCI made it reasonably clear the policy was opted in for automatic renewal. And I think they also made it reasonably clear the actions Mr W could take to opt out, for free.

ICOBS 6A.6.3 explains that *"a firm must provide a consumer with easy and accessible methods for cancelling the automatic renewal feature in the consumer's contract"* before going on to explain in ICOBS 6A.6.5 that *"An easy and accessible method for cancelling an automatic renewal feature is a method that does not place any unnecessary barriers on the consumers who use it."*

In this situation, I've seen that Mr W was able to opt out of the automatic renewal via OCI's online portal on the same day he purchased the policy. And, that this was done before OCI had even issued the policy documents. So, I'm satisfied the information OCI provided to Mr W during the process of purchasing the policy allowed him to opt out easily, and accessibly, without an unnecessary barrier being put in place. And that by doing so, Mr W had opted out of any automatic renewal before the policy had inceptioned, as it wasn't due to start until 27 August.

So, while I do understand how Mr W has interpreted the rules set out under ICOBS, and why he feels OCI have breached them, I don't think there has been any impact caused to Mr W that warrants a form of compensatory payment or OCI to take any other form of action. So, I don't think OCI need to do anything more on this occasion.

I understand this isn't the outcome Mr W was hoping for. And I appreciate Mr W is likely to maintain his belief that a rule was breached and want OCI to be punished for this. But again, I want to make it clear it is not our role to punish a business. Instead, it is our role as an independent third-party to consider the circumstances of a complaint and, where necessary, look to make an award or direction to reasonably recognise any impact caused to a customer. And I don't think there has been any impact to warrant this here.

My final decision

For the reasons outlined above, I don't uphold Mr W's complaint about One Call Insurance Services Limited trading as One Click.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 19 February 2024.

Josh Haskey
Ombudsman