

The complaint

Ms L complains that Homeserve Membership Limited (HomeServe) renewed her boiler and central heating breakdown insurance policy and took premiums from her account without her permission.

What happened

Ms L purchased a boiler and central heating breakdown insurance policy via HomeServe, which started in July 2022.

In September 2023 Ms L noticed that HomeServe had taken monthly payments from her account when she was expecting the policy to end in July 2023 at renewal. Ms L complained to HomeServe and asked for a refund of the monthly premiums they'd taken for the renewed policy.

HomeServe didn't agree to refund the premiums as they said the policy automatically renewed as they hadn't heard from Ms L and weren't aware she didn't want to renew the policy. As Ms L remained unhappy, she approached the Financial Ombudsman Service.

One of our investigators looked into things, but she didn't uphold the complaint. She said it had been agreed in a call with HomeServe that the policy would automatically renew, and HomeServe weren't made aware that Ms L no longer needed the policy.

Ms L didn't agree and asked for a final decision from an ombudsman.

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 appreciate it will come as a disappointment to Ms L, I've reached the same outcome as our investigator.

Ms L took out a policy with HomeServe in July 2022 to cover boiler and central heating breakdowns. The policy term was for one year.

Ms L says she didn't agree to the policy renewing in 2023, and only discovered this after returning home from abroad to find the policy had been renewed and HomeServe had taken three monthly premiums. Ms L says the policy was renewed and premiums were taken without her permission.

Ms L originally took out her policy online in July 2022 and didn't opt in for automatic renewal. Ms L's policy was then suspended in August 2022 due to a failed payment. When Ms L became aware of this, she contacted HomeServe, with Mr L, to reinstate the policy.

I've listened to the call Ms L and Mr L had with HomeServe. Ms L gave permission for Mr L to discuss matters on her behalf. During the call, HomeServe explained that the policy had

been suspended due to a failed payment. It was established that Ms L's bank details had changed, so new bank details were provided.

Mr L, on behalf of Ms L, was given the option to pay monthly, quarterly, or annually. Mr L asked for the payments to be taken monthly. HomeServe's agent explained that the policy would automatically renew at the end. Mr L asked what the price would be then, the agent said at this stage that wasn't known but they'd write to Ms L prior to the renewal to let her know what it would be. Mr L asked if the policy could be cancelled before renewal if they were unhappy with it and the agent confirmed it could. The agent also explained that the auto renewal process could be cancelled at any time too. Mr L said he was happy to proceed on this basis, and the policy was reinstated.

Updated policy documents were then sent to Ms L in August 2022 (which she has also sent us a copy of) which confirmed the policy was set to automatically renew. The policy terms also explained this, along with an explanation of how to stop this from happening.

Prior to the renewal, Ms L was also sent renewal invitation documents. I recognise Ms L says she didn't receive these, as she was abroad at the time. But having listened to the call from August 2022, it was agreed that the policy would be automatically renewed unless Ms L contacted HomeServe to cancel the renewal or automatic renewal process. And as there was no contact from Ms L, the policy renewed as HomeServe were unaware she didn't want to continue with the cover.

With this in mind, I don't agree with Ms L that HomeServe renewed the policy without her permission as this was agreed during the call Mr L, on behalf of Ms L, had with HomeServe. And she also had the option to stop the automatic renewal at any time, but didn't contact HomeServe to do so. Therefore, I don't think HomeServe has acted unfairly or renewed the policy without Ms L's permission. Consequently, I won't be directing them to refund the premiums taken.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 6 May 2024.

Callum Milne
Ombudsman