

The complaint

Mr G complains that Ageas Retail Limited trading as RIAS failed to follow his instructions not to auto-renew his policy.

What happened

Mr G took out a home and contents insurance policy with RIAS in November 2022 and had expressed his preference not to auto-renew the policy. He received an invitation to renew his policy in December 2023, which said the policy would auto-renew if no action was taken.

Mr G says RIAS undertook a hard search of his credit file before auto-renewing the policy in January 2024, and that he was looking for alternative cover at that time. He also said he'd had numerous problems with direct debits. He says RIAS should compensate him for the negative impact its error had on his credit file, and for the significant inconvenience he experienced.

Following a complaint to RIAS, it apologised to Mr G and said it should've specifically asked him about his renewal preferences during a phone call. It offered Mr G £35 compensation and said it would waive the cancellation fee if he didn't want to be insured with RIAS anymore.

Mr G didn't accept RIAS's response and referred his complaint to this service. Our Investigator considered everything and partially upheld the complaint. She said RIAS's offer was fair, because it had offered to remove the hard credit search from Mr G's credit file, and offered to refund any charges Mr G incurred for the second failed direct debit payment, if he could provide evidence of these.

RIAS accepted our Investigator's recommendations, but Mr G didn't. He said RIAS hadn't gone far enough to compensate him for its errors. Because an agreement couldn't be reached, the complaint has now come 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, I've decided to uphold this complaint. I'll explain why.

RIAS has already agreed to remove the hard credit search and pay Mr G £35 to compensate him for not accurately recording his auto-renewal preference. It's also said it will refund charges incurred as a result of a second failed direct debit, if Mr G can provide evidence of those charges. I think this is fair. Mr G however, has said that he should be compensated for his time on the phone and call costs, as well as for any negative impact on his credit file. He's also asked that the policy be cancelled with any charges reversed. I won't be requiring RIAS to reverse the policy charges however, as Mr G was aware the policy would be auto-renewing and had the benefit of the policy at the time.

I think the offer RIAS has made is fair and reasonable in the circumstances. Dealing with financial services is not always hassle-free and I've considered whether the inconvenience Mr G experienced was significantly more than the day to day frustration that can be experienced at times, particularly when a mistake has been made.

RIAS has accepted its error, offered £35 compensation and taken steps to put things right for Mr G. In the circumstances, I consider this to be fair as Mr G did experience more than the usual day to day inconvenience that can be expected, and he also made calls and spent time trying to sort this out. But RIAS has confirmed that its phone number is a free phone number, so I won't be awarding compensation for the cost of calls. Without seeing evidence of additional call costs, I don't think there has been a financial loss that would need to be compensated for.

Regarding the credit check, Mr G has said this negatively impacted his credit file. RIAS has agreed to remove this check, which I think is the right thing to do. But in the absence of any evidence to show how Mr G's credit file has been impacted during this time, I can't say that the impact on Mr G has been significant to warrant additional compensation. For example, I haven't been provided with evidence that Mr G applied for products but those applications were unsuccessful – and what the impact of that was on Mr G's finances.

Overall, I think the offers made by RIAS have been fair and reasonable, and I won't be requiring it to do any more than it's already agreed to do.

Putting things right

Ageas Retail Limited trading as RIAS must now:

- Remove any record of a hard credit search from Mr G's credit file, if it has not done so already – and confirm to Mr G when this has been done.
- In addition to the compensation for distress and inconvenience that Mr G has already been offered, reimburse any bank charges incurred by Mr G as a result of the second failed direct debit, upon receipt of evidence of these charges.

My final decision

My final decision is that I uphold this complaint and I direct Ageas Retail Limited trading as RIAS to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 21 September 2024.

Iffrah Malik
Ombudsman