

## **The complaint**

Mrs T complains that One Call Insurance Services Limited didn't tell her about the automatic renewal feature when she bought her motor insurance policy and that she wasn't given the option to opt out of it easily.

## **What happened**

Mrs T took out a policy through One Call via an online comparison site. She was provided with her policy documents, but she said the automatic renewal wasn't clearly set out. She said she discovered this was set up when she was sent renewal documents. She was then unable to cancel this online and she had to make long live chat sessions to get this done. One Call said the automatic renewal was set out clearly when Mrs T bought the policy.

Our Investigator recommended that the complaint should be upheld in part. She thought that Mrs T had been sufficiently warned of the automatic renewal when she bought her policy. But she thought One Call hadn't acted in line with the rules regarding automatic renewal in the Insurance Conduct of Business Sourcebook ("ICOBs"). And she thought this had had an impact on Mrs T as she couldn't cancel the renewal online when she wanted to. So she thought One Call should pay Mrs T £100 compensation for the trouble and upset this caused her.

One Call replied that it wasn't possible for customers to opt out of automatic renewal before their policy was live. It explained that customers could do this after they had bought the policy. It also explained that it was easy for customers to do this before the renewal window after a new quote was sent out. One Call asked for an Ombudsman's review, so the complaint has come to me for a final 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.

I can understand that Mrs T felt frustrated that her policy was set up for automatic renewal when she didn't want this. And I can see that it took her some effort to have this stopped.

One Call provided a screenshot of the online purchase process that Mrs T would have completed and agreed to at the time. This included information about automatic renewal:

*"Your policy will automatically renew on your renewal date. Automatic renewal is designed to protect you..."*

*Once you have purchased a policy, you can opt out of automatic renewal in your account on our customer portal, via live chat, by post or by phone."*

I think it was for Mrs T to read these terms and conditions when she made her purchase. Mrs T went ahead with the purchase of the policy. And the same information was repeated in her welcome letter. So I think it was made reasonably clear to Mrs T. And I think she agreed to accept One Call's terms and conditions including that the policy would be set up for automatic renewal. So I don't think One Call did anything wrong here.

The Investigator then considered how Mrs T could opt out of the automatic renewal. And ICOBS provides rules for this that insurers and brokers must follow in order to treat customers fairly.

Rule 6A.6.6 states:

*“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 I don't think One Call did this. This is because Mrs T wasn't able to opt out of automatic renewal during the payment process. One Call says that this was because the policy wasn't yet live. But I've seen other systems that allow this, and these comply with the ICOBS rule. So I can't accept One Call's reason for not allowing Mrs T to opt out of automatic renewal at the time of the purchase.

When Mrs T was later sent renewal documents, she tried to opt out through her online account as the terms and conditions state she could. But One Call said this wasn't possible as it was within the renewal window after a renewal quote had been issued. However, I can't see that this is explained anywhere in the policy documents.

One Call required customers to then contact its renewal team. But Mrs T didn't want to do this by phone as she had a poor phone signal. She tried to opt out via live chat, spending about an hour doing so. But this wasn't permitted during daytime working hours. So Mrs T had to wait until the evening and then try again online through live chat.

ICOBS 6A.6.3 & ICOBS 6A.6.4 state:

*“A firm must provide a consumer with easy and accessible methods for cancelling the automatic renewal feature in the consumer's contract.”*

*“The methods provided by a firm in accordance with ICOBS 6A.6.3R must include at least all the methods by which a consumer is able to purchase a new policy with the firm.”*

So Mrs T wasn't able to opt out “*at any time during the duration of the policy*”. And I'm not satisfied that the opting out process was made easy and accessible. And Mrs T couldn't do this online in the same way that she bought her policy and as ICOBS requires.

When a business makes a mistake, as I'm satisfied One Call has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the error had on the consumer.

Mrs T was eventually able to stop the automatic renewal process, so I think that restored her position. But I think she was put to some avoidable trouble and inconvenience in doing this. She wasn't able to cancel the feature on her online account at the time she became aware of this. She spent an hour on live chat trying to get the process stopped. And I can see that she was caused frustration in doing this.

Our Investigator recommended that One Call should pay Mrs T £100 compensation for the trouble and inconvenience caused. I think that's fair and reasonable as it's in keeping with our published guidance for the impact caused by its error.

### **Putting things right**

I require One Call Insurance Services Limited to pay Mrs T £100 compensation for the distress and inconvenience caused by its administration of her policy.

**My final decision**

For the reasons given above, my final decision is that I uphold this complaint in part. I require One Call Insurance Services Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 3 January 2025.

Phillip Berechree  
**Ombudsman**