

The complaint

Ms S has complained that the broker BISL trading as Dial Direct failed to automatically renew her car insurance policy with her insurer. She is unhappy that when she contacted BISL when cover lapsed, it didn't honour the renewal price and offered a higher premium to reinstate her insurance cover.

What happened

Ms S bought her car insurance policy through BISL since 2020. In 2023, as in previous years, Ms S asked BISL to remove the Continuous Payment Authority (CPA) option. The CPA option allowed BISL to automatically collect the insurance premium at renewal, so Ms S didn't need to take any action.

In January 2024 BISL provided Ms S with a renewal quote. As Ms S didn't pay the renewal premium, on the renewal date BISL notified Ms S that her cover had lapsed.

In February 2024 Ms S contacted BISL and said she thought it would have collected the premium from her card details. BISL said the renewal quote had now expired and provided a new quote, which was higher than the renewal quote offered in January 2024.

Unhappy with the difference in price, Ms S complained to BISL. She said she hadn't asked for the CPA to be removed in 2023, but she had in 2022. So she believed BISL had failed to collect the renewal premium.

BISL didn't uphold the complaint. It provided evidence to show Ms S had asked for CPA to be removed in February 2023, and it had sent her a letter confirming her request in March 2023.

Ms S remained unhappy and asked us to look at her complaint.

One of our Investigators didn't recommend the complaint should be upheld. He found BISL had followed Ms S's instructions to remove CPA in 2023. And it had given Ms S clear notice of what she needed to do in order to ensure her policy renewed in February 2024. As she hadn't accepted the renewal quote, or called BISL if this wasn't possible to do online, he didn't think BISL had done anything wrong.

Ms S didn't agree. In summary she says the policy wording BISL sent her on 23 February 2023 said CPA applied. She says when she logged into her account, there was no option to accept the renewal quote. As it showed that BISL had her card details, she assumed it would collect the renewal premium. She says BISL took the opportunity to unfairly inflate the renewal premium and it was responsible for failing to collect the premium in time for the renewal date.

So Ms S wants an ombudsman 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.

BISL has provided a recording of a call between it and Ms S on 16 February 2023 where she was asked if – as in previous years – she wanted to remove the CPA. Ms S said yes.

After Ms S renewed her policy, BISL wrote to her to confirm it had removed the CPA. It has provided a copy of the letter to Ms S and to us dated 6 March 2023. It read:

"We are writing to confirm that the Continuous Payment Authority for your policy has been cancelled by the card holder.

If any further payments become due on your policy (such as at the renewal of your policy) then you will need to contact us to provide new payment details. If any payments due on your policy are not paid then your policy may be cancelled and a cancellation fee applied. This also means we will not be able to automatically renew your policy when it becomes due for renewal."

If you would like to set up a new Continuous Payment Authority then please contact us. This will allow us to automatically take payments which become due on the policy, so you do not need to provide new payment details each time and ensure that the insurance cover continues uninterrupted.

If you have any queries, please contact us on the number shown above."

When BISL wrote to Ms S in January 2024, it said;

"Your car insurance is due to end on 22 February 2024. To ensure that you continue to be covered, you must log into "My Account" to accept your renewal or you can get in touch with us using the contact details below before your cover expires"

Then;

"What you need to do now"

"If you're happy with your renewal offer and cover levels, you will need to contact us by 22 February 2024 to let us know you would like to renew your policy.

If you would like to renew your policy, make changes to your cover, update your payment detail or if you just have a question;

- *Log into My Account to accept your policy*
- *If you need to contact us log into My Account and use our webchat service*
- *Alternatively you can call us on (phone number provided).*

Although the copy renewal notice is undated, according to BISL's screenshot of its internal records, this was emailed to Ms S on 31 January 2024.

Ms S has relied on the policy wording and cover letter sent to her on 23 February 2023 which says BISL will automatically renew her policy the following year. But it is clear from the call – and the letter issued after the renewal date – on 6 March 2023 – that this isn't what Ms S wanted. BISL correctly confirmed her request in writing after 23 February 2023.

Ms S says she didn't receive the letter dated 6 March 2023. BISL doesn't have to issue letters by recorded delivery as Ms S says. It is unfortunate that Ms S didn't receive the letter. I can see that BISL wrote a similar letter to Ms S in 2022. So this wasn't an unusual way to communicate confirmation of this change to Ms S. But I cannot hold BISL responsible for any postal failures. Given that Ms S requested CPA be removed by phone in February 2023, I'm satisfied that BISL acted reasonably.

BISL records show that Ms S logged into her account on 21 February 2024 and twice on the renewal date, 23 February 2024. Ms S says when she logged in to her account, there was no option to accept the renewal quote. But I don't agree that it therefore follows that BISL should have collected the renewal premium as she could see it still held her credit card details. Ms S was given the option to either log into her account to accept the quote, or call BISL. The onus was on Ms S to do either of these things. Ms S says there was no option

online to accept the renewal quote. If this was the case, then I think it was reasonable to expect Ms S to call BISL instead.

Had BISL collected the renewal premium without Ms S's acceptance of the renewal quote, this would have been in contradiction to Ms S's request on 16 February 2023.

I'm sorry to disappoint Ms S. But based on all of the evidence available, I don't think BISL has acted unreasonably. I think BISL's communication was clear that it was for Ms S to take action to ensure her policy renewed in time. As Ms S says she was unable to accept the renewal quote through her account, I think it was reasonable for Ms S to contact BISL using the alternative methods to ensure her policy renewed. As the renewal quote had expired when Ms S called BISL after the renewal date, it provided an updated quote. This is standard industry practice. Prices for insurance can change at least daily, and as the renewal quote no longer existed, I can't say BISL did anything wrong. I can see that Ms B obtained alternative insurance elsewhere.

Ms S has requested compensation to cover her costs for communicating with BISL and this service. This isn't something I have considered as I don't find BISL acted unreasonably.

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 Ms S to accept or reject my decision before 27 January 2025.

Geraldine Newbold
Ombudsman