

The complaint

Mr B has complained that Extracover Limited failed to automatically renew his van insurance policy despite it telling him it would do so.

What happened

The details of this complaint are well known to both parties, so I will not repeat them again here. The facts are not in dispute so I will focus on giving the reasons for my decision.

Any reference to Extracover includes its agents or trading names.

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 agree with the conclusions reached by the investigator for these reasons:

- It was Extracover's responsibility to make sure Mr B's policy renewed automatically because it had told him it would.
- Extracover should have picked up on the fact a system error meant Mr B's policy didn't renew and told him.
- I do not agree with Extracover's reason for rejecting Mr B's complaint that it didn't tell him his policy had actually renewed and it was his responsibility to make this happen. This completely ignores its responsibilities to communicate in a clear, fair and not misleading way and treat its customers fairly.
- Mr B was entitled to expect his policy to renew automatically and it was completely reasonable for him to assume this had happened.
- As a result of Extracover's error, Mr B was left without insurance and has gone through the ordeal of being stopped by the police. And he also now faces a court case. All of which must be very distressing for him indeed.
- Autorenewal is designed to avoid the sort of situation that ended up happening in Mr B's case. A point which Extracover seems to have completely disregarded.
- I agree that the level of distress and inconvenience warrants a compensation payment to Mr B of £500.

My final decision

For the reasons set out above, I uphold Mr B's complaint about Extracover Limited and require it to do the following:

1. Provide a written letter for Mr B to give to the court, confirming:
 - His policy should have renewed from 12 January 2025.
 - The failure for it to renew was entirely due to Extracover's administrative error.
 - If not for that error, he would have been insured continuously from that date.
 - Provide this letter by email and post within seven days of when we advise it Mr B has accepted my final decision.

2. Pay Mr B £500 in compensation distress and inconvenience.*
3. Cover any court fees or legal costs Mr B incurs as a result of being stopped by the police for driving without insurance. Subject to Mr B providing evidence he has incurred them.

* Extracover must pay the compensation within 28 days of the date we tell it Mr B accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 4 December 2025.

Robert Short
Ombudsman