

The complaint

Mr B has complained that Hastings Insurance Services Limited (Hastings) automatically renewed his home insurance policy.

What happened

Mr B took out a policy online through Hastings. A year later the policy renewed. Mr B emailed Hastings to say the policy shouldn't have automatically renewed, but he received automatic replies saying the email accounts weren't monitored. He also cancelled the direct debit. Hastings wrote to Mr B to say a new direct debit needed to be set-up to prevent the policy from being cancelled. Mr B didn't set-up a new direct debit, so Hastings cancelled the policy. It also wrote to Mr B and said he owed £78.39 to cover the period the policy had been in place and the cancellation fee. Hastings attempted to take the payment using the card details it held for the continuous payment authority. But Mr B contacted his bank, which stopped the payment being taken. Hastings maintained that the money was still owed and continued to require payment.

Mr B complained to Hastings. When Hastings replied, it said it had sent Mr B a renewal invite. This clearly explained the policy would automatically renew and the renewal date. He was also told how he could opt out of automatic renewal. It said it couldn't accept cancellations by email. It said it had acted correctly by allowing the policy to renew. It said Mr B had also said he'd opted out of automatic renewal a few days after he first took out the policy. Hastings said it had reviewed the policy history and there was no evidence that Mr B, or anyone at Hastings, had accessed the policy following its inception. It said that because it had correctly renewed the policy and Mr B had missed payments, if it had contacted credit reference agencies, it was correct to do so. It also looked into Mr B's concerns that he hadn't authorised a continuous payment authority. It said the welcome pack clearly stated he had agreed to this and what this meant. It said Mr B also had the option to cancel this agreement at any time. It said it had acted correctly.

When Mr B complained to this Service, our Investigator didn't uphold the complaint. She said the policy documents, both when the policy was taken out and at renewal, made it clear the policy would automatically renew and that there was a continuous payment authority in place. The documents explained how to turn off automatic renewal. She also said there wasn't evidence to show Mr B opted out of automatic renewal when he bought the policy. Mr B also didn't follow the instructions in the documents when he tried to cancel the policy. She said it was reasonable that the policy automatically renewed. It was also fair that Hastings charged the premium due and a cancellation fee. However, Mr B raised a chargeback, so Hastings didn't receive the money owed. She said it was reasonable for Hastings to try and recover the money.

As Mr B didn't agree, including because he again said he had opted out of the automatic renewal, the complaint was referred to me.

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 don't uphold this complaint. I will explain why.

Mr B has said Hastings shouldn't have automatically renewed his policy. He said he opted out of this a few days after he took out the policy. So, I've looked at what happened.

I've read the Welcome Pack Mr B was sent when he took out the policy. In a section headed "*Renewing your policy*", the documents said:

"Your policy is currently set to automatically renew, so if one of our insurers offers you a premium, we'll send your renewal invitation about a month before your policy is due to end. You can then call us at any time (up to your renewal date) to discuss or change your renewal. Your new insurance cover will automatically start on your renewal date, 14th May 2025.

You can opt out of the automatic renewal process at any time. Simply change your preferences in the app or MyAccount or give us a call."

The documents also explained that Mr B had agreed to continuous payment authority (CPA). It said: "*You've agreed to continuous payment authority (CPA) this means you're giving us the right to take future payments from your credit or debit card*". It also explained that Mr B could "*contact us to cancel the agreement at any time*".

I've also looked at the renewal documents Mr B was sent. The heading for the cover letter, in bold, said: "*Your Hastings Direct home insurance will automatically renew on 14th May 2025*". The cover letter also explained how to opt out of automatic renewal. So, I think it was clear the policy would automatically renew and what to do to stop this happening. The documents also explained that the CPA was in place and that this could be cancelled.

Mr B has said he cancelled the automatic renewal a few days after he took out the policy. Hastings has provided a screenshot that showed his policy wasn't accessed after he first took it out. So, I'm persuaded by Hastings' position that Mr B didn't switch it off.

Mr B has also said he sent emails to Hastings to try and cancel the policy. It's my understanding that Mr B sent emails to Hastings using "*do not reply*" email addresses. He has also provided this Service with the automatic replies he received that said the email accounts weren't monitored. So, Mr B knew these wouldn't be read. I've also read the information Hastings provided to Mr B that explained what to do if he wanted to switch off the automatic renewal. It provided a phone number and said he could also use the app or "*MyAccount*". It didn't say the policy could be cancelled by email or provide an email address for this purpose. It's my understanding that Mr B didn't use any of the specified methods to stop the automatic renewal. So, I think it was reasonable that Hastings renewed the policy.

When Mr B first took out the policy he agreed to make payments by monthly direct debit. This continued when the policy renewed. So, I've also read the credit agreement that was in place for the policy. I note this explained that if the direct debit payment couldn't be taken, Hastings would use the CPA to take the payment. Mr B cancelled the direct debit. Hastings advised Mr B of the amount that was outstanding. It then attempted to take the payment using the CPA. Mr B contacted his bank to stop the payment being taken. This meant Mr B still owed Hastings the money. Based on what I've seen, I think it was reasonable that Hastings tried to collect the money it was owed, which was the premiums for the period before Hastings cancelled the policy due to non-payment and a cancellation fee.

So, having looked at what happened, I don't uphold this complaint or require Hastings to do anything else in relation to it.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 April 2026.

Louise O'Sullivan
Ombudsman