

The complaint

Mrs S complained that Hastings Insurance Services Limited renewed her motor insurance policy.

What happened

Hastings automatically renewed Mrs S's policy. She said she'd taken out insurance elsewhere so she cancelled Hastings's policy. As Hastings had set up the policy, they charged her a £20 policy set up fee.

Mrs S didn't want to pay it. She said that she'd asked Hastings not to auto renew. However Hastings said they'd searched their records and couldn't find any call or other contact from Mrs S before the automatic renewal date.

The investigator didn't uphold the complaint because he thought they hadn't treated Mrs S unfairly. Mrs S didn't agree and so the complaint was passed 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.

Hastings said that when Mrs S took out the policy they told her it would auto renew. I've looked at her policy documents and they say that too. Hastings explained that this is so that cars are not left uninsured. They've also shown us that they advised Mrs S of when her policy would auto renew and gave her reasonable time to tell them before then if she didn't want to renew it.

Hastings said they had no record of a call or email or other contact from Mrs S before the renewal date. They said their policy system recorded every contact made about a policy, but despite their searches, they couldn't trace any contact from her. Mrs S hasn't given us evidence to show that she did contact Hastings before the renewal date to stop her policy renewing. So without evidence of that I can't decide that she did tell them.

Hastings have shown that they'd given Mrs S notice of the £20 set up fee that applied on cancellation. It was in the policy documents they sent her when she took out the policy and also shown in her online account with Hastings. We don't think it's unfair for insurers to charge a set up fee on cancellation, and here the fees are clearly stated, and the amount isn't unreasonable.

So although I can see that Mrs S is likely to feel disappointed, I don't think that Hastings have done anything wrong in charging her this fee in these circumstances. This means that I don't require them to do anything else.

My final decision

For the reasons given above, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 4 October 2023.

A handwritten signature in blue ink that reads "R. Scott". The signature is written in a cursive, flowing style.

Rosslyn Scott
Ombudsman