

The complaint

Mrs A has complained that TICORP Ltd (trading as Staysure) automatically renewed her annual travel insurance policy and would not cancel it.

What happened

On 31 August 2023 Mrs A received an email from TICORP congratulating her on renewing her travel insurance policy. She then checked with her credit card provider and raised a dispute about the premium payment of £827.93 being taken from her account. The amount was then credited back to her account two days later.

Mrs A then contacted this service in October 2023, who forwarded her complaint to TICORP to investigate. Its final response letter dated 8 November 2023 said that the correct process had been followed in carrying out the auto-renewal and that she would have been able to cancel the policy and receive a full refund if she had made contact within the 14-day cooling off period.

TICORP said it had received payment for the policy and, as it wasn't willing to provide a refund, the policy had stayed live.

Earlier this month I wrote a provisional decision in which I explained why I wasn't thinking of upholding the complaint and inviting the parties to provide any additional comments they may wish to make. Mrs A provided some extra information that I have included below.

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.

As stated in my provisional decision, it's important to make clear that we are not the industry regulator. We have no powers to regulate the financial businesses we cover, nor to direct them to change their processes or procedures. Our role is to investigate individual complaints made by consumers to decide whether, in the specific circumstances of that particular case, a business has done something wrong which it needs to put right.

Whilst Mrs A believes that auto-renewal is fundamentally wrong and should be illegal because businesses shouldn't be allowed to hold onto credit card details, that isn't something that I can reasonably consider here. My role is to decide whether TICORP has treated Mrs A fairly in this instance.

Mrs A originally took out the policy in August 2022 by phone. TICORP says it was explained that it would automatically renew unless she asked for it to be stopped. This took place about 45 minutes into the call, just prior to the policy being purchased.

Looking at the policy terms, they state:

'Unless you have advised us that you do not want your annual multi-trip policy to be automatically renewed, or you no longer meet the eligibility criteria, Staysure will send you your renewal invitation at least 21 days before your renewal date which will include your premium for the next year based on your latest medical declaration.'

'If you renew on a continuous payment method, we will automatically renew your policy each year using the payment details you have given us...'

Under 'Cancellation provisions' it states:

'You have the right to cancel your policy within 14 days of the date of issue or receipt of your documents, whichever is later. We will only refund to you any premium you have paid, less any fees and charges if you have not travelled, or have made, or intend to make a claim. If the notice of cancellation is received outside the 14 day cooling off period no premium will be refunded, however discretion may be exercised in exceptional circumstances such as bereavement or a change to the policy resulting in us declining to cover your medical conditions.'

I consider that TICORP has clearly set out in the policy documentation that it will write to customers that hold annual policies ahead of the expiry date to confirm their renewal premium and policy terms.

TICORP sent Mrs A the renewal notification on 31 July 2023, with information about the new premium amount. It also sent an email reminder on 20 August 2023. Mrs A says that this went into her junk folder. Although TICORP has data showing that the email was opened. I appreciate that Mrs A says she discovered this email later, after she had seen the email sent on 31 August 2023, congratulating her on renewing the policy.

TICORP was using Mrs A's correct address and it can't be held responsible if some mail went into her junk folder. Based on the available evidence, I'm satisfied that TICORP followed the correct renewal procedure and provided the required amount of notice, as set out in the terms and conditions. So, I'm unable to conclude that it did anything wrong in auto-renewing the policy.

I'll now look again at whether TICORP should have cancelled the policy.

Mrs A says that she replied to the 31 August 2023 email to say that she had no intention of travelling so would hardly renew her cover. But TICORP's emails were from a 'no-reply' email address, denoting that the mailbox is not monitored. Therefore, any replies to that address would go unseen and un-responded to. In response to my provisional decision, Mrs A says her reply did go through. I'm not disputing that, but as I explained, her reply wouldn't have been seen as it is an unmonitored mailbox.

What Mrs A needed to do was to contact TICORP through the usual channels. And had she done so within 14 days, there would have been no issue with cancelling the policy. The cancellation would have been carried out and a refund provided. As it was, TICORP was unaware that she didn't want to renew the policy until it was contacted by this service in November 2023.

In response to my provisional decision, Mrs A has commented that it is odd that TICORP didn't contact her after she didn't respond to its 'many' emails. However, the emails were for information and did not require responses, hence why they were sent from a 'no-reply' address.

As Mrs A didn't make contact within the cooling off period, I'm satisfied that TICORP has acted fairly and reasonably in declining to provide a refund of the premium.

In my provisional decision, I explained that there was a discrepancy in what the parties had said about payment. Mrs A said that she had received a refund of the premium to her credit card account whereas TICORP said that it had received the funds for the policy.

Following my provisional decision, Mrs A contacted her credit card provider who confirmed that it had borne the cost of returning the payment to her. Mrs A has said she is horrified by this. I understand her position but I am glad that she is not out of pocket.

TICORP had said that, as the policy had been paid for, and it was not willing to provide a refund, the policy would remain active. I thought that was a reasonable position for it to take as there was no detriment to Mrs A in the policy remaining live, especially as she hadn't paid for it, although I appreciated that she didn't want to receive any correspondence about it. However, Mrs A has said that she recently spoke to a helpful person at TICORP who agreed that the policy could be cancelled, and she has now received email confirmation of this.

Mrs A has been upset that she has received standard correspondence from TICORP in relation to the active policy. As she had been under the impression that it hadn't had payment for the policy, she thought this was its way of hounding her for the money. As the policy has now been cancelled, this should no longer be an issue. I've also seen an email from TICORP in which it states that marketing emails will be discontinued within 28 days.

The strength of Mrs A's feelings about auto-renewal are undoubted. I've considered everything she has said, including the submissions she has made in response to my provisional decision. Whilst I acknowledge that she has been caused some genuine distress by what has happened, overall, I am still unable to conclude that TICORP has done anything wrong. Therefore, as Mrs A anticipated, my final decision remains that I do not uphold the complaint.

My final decision

For the reasons set out above, my final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 23 April 2024.

Carole Clark

Ombudsman