

The complaint

Mr P complains that AXA Insurance UK Plc (“AXA”) haven’t acted fairly in only offering to refund 50% of the premium paid when he was dual insured on his home insurance.

What happened

Mr P says he took out a home insurance policy with AXA in 2020. He says during the sales journey he had to agree to automatic renewal but the information on the page said AXA would write to him around the time the policy was due to renew. Mr P says he didn’t receive any communication from AXA in 2021 and he bought a new policy from another insurer. He says it was only in 2022, while looking for a policy, that he discovered he’d been dual insured in 2021 as AXA had automatically renewed his policy. Mr P raised this with AXA, and they offered to refund 50% of the premium paid. Mr P complained about not receiving any renewal documentation in 2021. He says, had he received this, he either wouldn’t have renewed or negotiated a lower price.

AXA responded and explained they sent renewal documentation to Mr P in advance of the renewal date and, because the policy was set to renew automatically, the policy was renewed in 2021 as they didn’t hear from Mr P to decline the renewal. They agreed with the decision to refund 50% of the premium on the basis Mr P was dual insured.

Our investigator looked into things for Mr P. He agreed with AXA’s decision to refund 50% of the premium. Mr P disagreed so the matter has come to me for a decision.

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’ve decided AXA’s offer is a fair way to resolve matters. I understand Mr P will be disappointed by this but I’ll explain why I have made this decision.

It’s understandable that Mr P didn’t want to pay for two policies when he could only be indemnified once. So, I’ve looked to see how this situation arose and whether AXA made any errors during the renewal process.

I can see, when Mr P took out his policy, he had to tick a box authorising the automatic renewal of his policy. There doesn’t appear to be any dispute about this. AXA confirm they didn’t then receive any contact from Mr P to opt-out of automatic renewal. Then in June 2021 – around a month before the policy was set to automatically renew - I can see AXA sent renewal documentation. This quotes a price of £481.11 and says the policy will automatically renew on 2 July.

I understand Mr P says he never received this documentation. I’ve seen the renewal letter and it contains the correct address for Mr P. In addition to this, AXA have also provided a screenshot of their system, and this shows an audit trail of the communications history. This shows a renewal letter was sent in June. So, while I don’t doubt Mr P’s account of not having

received the renewal documentation, I can't say AXA have made an error here as they've demonstrated the renewal documentation was sent to the correct address. The renewal letter also explains AXA will collect the premium amount using Mr P's latest payment card. So, a payment would've been taken from Mr P's account around the time of renewal.

The circumstances of this complaint therefore appear accidental. Mr P says the automatic renewal of his policy isn't the key issue of his complaint. If there's no mis-sale of the policy or no business mistake and it's purely a case of Mr P accidentally putting himself in a position where he was dual insured, then I'd expect normal industry practice to be followed. That's for both businesses to refund 50% of their respective premiums. This would put Mr P back in a reasonable position – having effectively paid one premium to be covered once. This is because, in the event of a claim, both insurers would have 50% liability for it – so it follows they should receive 50% of the premium to match the risk they're taking. Although neither business has made a mistake in this situation, it's not fair for them to keep more than 50% of the premium when they're not liable for more than 50% of the risk. So, in this case, AXA's offer to refund 50% of the 2021 premium follows normal industry practice and is fair and reasonable in the circumstances. I acknowledge Mr P wants AXA to refund his full premium as he doesn't feel it was competitive in comparison to his other policy. But that wouldn't be fair in the circumstances of this case and goes against normal industry practice. Mr P could consider making a complaint to his other insurer, to recover 50% of the premium paid to them.

I can see Mr P says there was no subsequent communication confirming the automatic renewal or the price he'd paid – and he feels correspondence confirming the policy has renewed should be a minimum expected standard. I do acknowledge Mr P's point, but we don't have the power to direct a business on what their renewal process should be. In this case, AXA have sent renewal documentation which sets out key information to allow Mr P to make an informed decision on whether to renew the policy. So, I think AXA have given sufficient information here, even if their process doesn't include any subsequent renewal confirmation correspondence.

I note Mr P says he also didn't receive the 2022 renewal documents. It is very unfortunate if the 2021 and 2022 renewal documentation wasn't received by Mr P but, again, I've seen the renewal letter and it's addressed correctly. And the audit trail from AXA's system shows this renewal was sent.

I understand Mr P will be disappointed, and I do acknowledge his reasons for why he feels AXA should refund his full premium. But for the reasons I've explained, that wouldn't be fair in the circumstances. I wish to reassure Mr P I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

My final decision

AXA Insurance UK Plc have already made an offer to refund 50% of the 2021 premium to settle the complaint, and I think this offer is fair in all the circumstances.

So my decision is that AXA Insurance UK Plc should refund 50% of the 2021 premium to Mr P, if they haven't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 3 October 2023.

Paviter Dhaddy
Ombudsman