

The complaint

Mr H has complained about his car insurer U K Insurance Limited (UKI) because his policy year came to an end, the cover did not renew and Mr H later, when his car was stolen, found himself without insurance.

What happened

Mr H received renewal documents from UKI in November 2022 – the policy was due to renew in December 2022. Unfortunately, shortly after Mr H received the documents, his father was taken ill and passed away. In February 2023 Mr H's home was burgled and his car was taken by the thieves. He contacted UKI to make a claim only to be told his insurance had lapsed in December 2022 as Mr H had not said he wanted to renew the cover. UKI said it couldn't assist Mr H with his loss.

Mr H thought UKI should show him some compassion about this. He said he hadn't received any contact in the run up to renewal and thought the policy was set to auto-renew. He said he had a large loan outstanding for the car and was worried sick. UKI noted it had sent renewal documents to Mr H which confirmed he had to contact it to renew (which he hadn't done), and which he had reviewed digitally before his father became ill. It wasn't minded to change its view that it could not assist Mr H on this occasion. Mr H complained to the Financial Ombudsman Service.

Our Investigator noted that Mr H, arranging the policy in 2021 had chosen to not have it auto-renew. And that UKI had sent renewal notices to Mr H in November 2022, which he had acknowledged receiving. He felt Mr H had been reasonably uninsured at the time of the loss such that UKI's refusal to assist was fair. So he didn't uphold the complaint.

Mr H said UKI should give further consideration to the exceptional circumstances he experienced at the time the policy should have renewed. He asked for his complaint to be considered by an Ombudsman.

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, with the regret for the disappointment and further worry I know my decision will cause Mr H, I'm not minded to uphold the complaint.

I absolutely understand that Mr H has been through a difficult time recently. And that the renewal of his car insurance, as a natural consequence of that, fell to the back of his mind. I can also understand that, once Mr H did have chance to think about the cover, he, unfortunately thought it had auto-renewed when, in fact, he had specifically chosen when arranging the cover just the year before, to not have it auto-renew. Which all resulted in the policy with UKI lapsing, as it was due to in December 2022, and Mr H then being without cover in February when his house was burgled and his car was stolen. And I appreciate that

has left Mr H in a terribly problematic situation as he now has no car with the majority of the large loan he had taken to pay for his car outstanding.

In light of all that I can understand why Mr H might have hoped UKI could have assisted him. But I can also see why UKI felt unable to do so.

I can see that UKI considered how and when Mr H arranged the cover. He had only arranged it the year before, on-line and he had chosen to not have it auto-renew. I note that UKI checked to see that Mr H had seen his renewal documents. Noting that Mr H, having arranged his cover on-line, had viewed his renewal documents digitally, before his father was taken ill. So it thought Mr H had been aware of the need to contact it before the policy expired on 10 December 2022 if he had wanted to renew. So it felt it had communicated the renewal clearly to Mr H.

UKI's file though also shows that it thought about whether, it having clearly reminded Mr H of the renewal, his belief that it had auto-renewed, could be attributed to something it had done wrong. But it felt this wasn't a situation where, for example, Mr H had had a policy with it which, for many years, had auto-renewed, only for that to have changed in 2022. It also noted that no money had been taken after the last premium for the policy which ended in December 2022. Meaning Mr H's confusion couldn't have resulted from it drawing payment from his bank account. So it felt it hadn't done anything wrong to cause Mr H to incorrectly believe that the policy had auto-renewed.

Overall I think UKI has given Mr H's predicament reasonable thought with a view to considering whether there were any grounds for it to fairly overlook that the policy had ended in December 2022, and reinstate the policy. Unfortunately for Mr H, the result of UKI's ruminations is that it found no grounds on which it felt it could reasonably reinstate the cover. That is obviously disappointing for Mr H. But I think it is fair and reasonable in the circumstances. Otherwise UKI would potentially be in a position, theoretically, of having to afford anyone cover who has found themselves uninsured in unfortunate circumstances.

My final decision

I don't uphold this complaint. I don't make any award against U K Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 7 August 2023.

Fiona Robinson
Ombudsman