

The complaint

Mr S complains about how Hastings Insurance Services Limited (“Hastings”) automatically renewed his motor insurance policy and tried to take payment from him.

What happened

Mr S was insured through Hastings for a couple of years and he asked Hastings to disable the automatic renewal of his motor insurance policy.

He then also bought another motor policy online from Hastings alongside his existing one. This new policy was due to renew in January 2023.

The renewal quote from Hastings wasn’t to his satisfaction so Mr S arranged cover to start with another company.

Hastings then contacted him and told him that his policy had been renewed automatically.

He complained to Hastings and said he wanted to cancel this policy. Hastings told him it would charge him £20 to cancel it. Mr S refused to pay this, so Hastings said it would take the payment from a card he’d used to pay for an amendment to the policy he’d made during 2022.

Hastings explained that he hadn’t asked for his policy to not be auto-renewed. It said it would waive the £20 fee.

Mr S remained unhappy and brought his complaint to this service. He complains that he’d asked Hastings to not automatically renew his policy and that it stored his card details without his permission and would have used it to take further payments from him.

Our investigator looked into his complaint and thought it wouldn’t be upheld. He said he thought Hastings had explained what had happened with the automatic renewal. And because it’d waived the £20 charge, Mr S hadn’t suffered a financial loss. He said Hastings had explained its ability to take payments from Mr S’s card.

Mr S didn’t accept the view. He asked that his complaint was reviewed by an ombudsman, so it’s has been passed to me to make 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.

I’m not upholding Mr S’s complaint and I’ll explain why.

I can see from Hastings’ records that Mr S asked for a policy to not auto-renew in 2020. But it’s important I say that related to a policy in force at that time. Hastings didn’t auto-renew that policy.

Mr S then bought a new policy in January 2022 and set it up online himself. As part of that process, I can see he would have been shown instructions that his policy would auto-renew and that he would be contacted around 21 days prior to the renewal. This would allow him time to cancel the policy before renewal.

Hastings then offered renewal to him in early 2023 and the renewal instructions said it would auto-renew and what he needed to do to stop this.

The details he was sent included:

“Your policy is currently set to automatically renew so, your new insurance cover w/ll automatically start on your renewal date. 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.”

It seems to me that Mr S either didn't read this notice or didn't understand the implications of it. But I think its meaning is clear and even if Mr S still thought he'd set this policy to not auto-renew, the letter explains what he needs to do.

I can see he was then charged a £20 fee for the cancelation, but Hastings then waived it.

I think Hastings explanation of what happened is reasonable and I think it's fair that it re-applied the auto-renewal to a new policy. I know Mr S will disagree with this, but I can't fairly hold Hastings responsible for him not realising auto-renewal was 'on' because of the message shown him when he setup the policy, and the clear instructions given to him at renewal.

Mr S also complains about Hastings' ability to take payments. It does this under a process called Continuous Payment Authority (CPA).

Mr S has told this service he used a bank card to make a payment to Hastings when he made a change to this policy in 2022. I can see from Hastings' evidence that when it takes payment, it sets up a CPA using the card details Mr S used to pay for the change he'd made.

The CPA states that it can be cancelled by Mr S. The renewal details sent to him about 21 days before renewal was due include further details about how the CPA can be used, including payments to be made for the 'new' policy once renewal had passed.

The use of CPA is also included in the policy terms and conditions and Mr S's policy schedule. When he used his card to make a payment, Mr S was also shown a notice that included:

“We'll set up a continuous payment authority

By making a payment you're agreeing to let us use these details for any future payments linked to your policy. This could include:

- *Any administration or cancellation fees.*

You can cancel this continuous payment authority as any time by contacting us.”

I think Hastings did reasonably tell Mr S about the fact a CPA was in use and what he could do if he didn't want it. I can't see that Mr S did cancel the CPA, so I think Hastings were reasonably entitled to use the authority.

Ultimately, Hastings didn't use the CPA and it waived the fee it could have reasonably charged and I think this was a fair and reasonable response.

In later correspondence with this service, Mr S asks further questions about who stored his data as Hastings uses a third-party company to handle payments.

If I turn to the information given to Mr S when he adjusted his policy in 2022, it says:

"These details will be held securely by a third party."

I think it's clear about where his data was being held. But this service isn't the expert on data protection law. If Mr S has any further concerns about the use of his data then he may wish to approach the appropriate regulatory body which is the Information Commissioner's Office.

It's clear to me that Hastings told Mr S about the renewal, the CPA and how it would use his information both during the policy and at renewal. So I don't think Hastings has behaved unfairly and I'm not upholding this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 28 November 2023.

Richard Sowden
Ombudsman