

The complaint

Mr H complains about Bennetts Motorcycling Services Limited (BMS) and their failure to make him reasonably aware his motorcycle insurance policy was due to renew.

What happened

In June 2021, Mr H purchased a motorcycle insurance policy through BMS, who were acting as an intermediary. The policy itself was underwritten by a separate insurer.

In May 2022, Mr H's policy was due for renewal. So, BMS wrote to Mr H providing him with his renewal documents which included a breakdown of his premium for the year ahead. Mr H's policy was set up for automatic renewal in June 2021 and so, as BMS received no contact from Mr H, they proceeded to renew the policy and take the policy's first premium payment. They also set up a new direct debit for payment of the new policy premium.

Mr H was unhappy about this, so he called BMS to complain. Mr H didn't think BMS had provided him with the renewal documents, and he didn't think sending these documents by post only was fair. Mr H was also unhappy that to cancel the new policy that had been set up, BMS were charging him an additional cancellation fee. So, Mr H wanted BMS to refund him what he'd paid so far, amend his credit file and amend the way they communicate with customers regarding renewals.

BMS responded to the complaint and didn't uphold it. They thought it was made reasonably clear in the terms and conditions of the policy Mr H took out in June 2021 that the policy would automatically renew, unless they were instructed otherwise by Mr H. And they didn't think it was fair for them to be held responsible for any issues Mr H experienced receiving his renewal documents by post, as they could confirm they had been sent. BMS also recognised the wait times Mr H experienced trying to call them and explained they were taking action to try and reduce this moving forward. So, because of the above, BMS didn't think they needed to do anything more. Mr H remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and didn't uphold it. She thought BMS had acted fairly, and in line with the terms and conditions of the policy Mr H held, when proceeding to automatically renew the policy. While she didn't dispute Mr H's testimony that he hadn't received the renewal documents, she didn't think this was because of anything BMS did wrong. And she felt Mr H should've been reasonably aware of when his policy was due to end and so, take action if he didn't wish for the policy he had to renew. Finally, she didn't think the wait times Mr H were unreasonable to the extent that Mr H should be compensated. So, she didn't think BMS needed to do anything more.

Mr H didn't agree. He maintained his belief that BMS should've emailed his renewal documents to him, rather than sending them by post. And that if they had, he would've seen the renewal and ensured the renewal was cancelled before he was charged. So, he maintained his belief that he should be refunded the costs he'd incurred for the new policy, and its cancellation. Our investigator commented on this point, explaining it was BMS' business decision to send renewal information by post and that our service is unable to

comment on a commercial business process. Mr H continued to disagree and so, the complaint has been passed 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'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Mr H. I don't dispute Mr H's testimony that he didn't intend to renew the policy he held with BMS. Nor do I dispute Mr H's testimony that he didn't receive the renewal documentation. So, I can understand why Mr H assumed the policy would elapse at no further cost to himself. And I can appreciate the shock and upset Mr H would've felt when he saw a payment taken from his account, alongside the receipt of a new direct debit mandate.

But for me to say BMS should compensate Mr H for this upset or refund him the costs he's incurred related to the new policy and it's cancellation, I first need to be satisfied BMS have done something wrong. So, I'd need to be satisfied BMS failed to act within the terms and conditions of the policy Mr H already held when deciding to renew it automatically. Or, if I think BMS did work within these, I'd need to be satisfied BMS acted unfairly in some other way that meant Mr H has incurred costs unfairly. In this situation, I don't think that's the case.

I've seen the policy documents Mr H was sent when he initially incepted the first policy in June 2021. Within these documents, it explains under the heading "*Automatic Renewal*" that "*To ensure you stay covered and to save you time, your policy including any optional products taken will automatically renew unless you contact us after you receive your renewal offer. To opt out of the automatic renewal process, call customer services*".

Following this, it also goes onto say that where possible, BMS would use the payment authority they already held "*to take any future payments which become due (such as at renewal or where amendments are made to the policy) to help ensure that your insurance cover continues uninterrupted*".

I've seen no evidence to show that Mr H contacted BMS to opt out of the automatic renewal during the initial policy period. And, it's not disputed that Mr H didn't contact BMS after the renewal documents were sent to halt the renewal, as Mr H has said these documents weren't received.

So, I don't think BMS were made aware of Mr H's intention to end the policy. And because of this, I think they acted in line with the terms of the policy when processing the automatic renewal and taking payment to ensure Mr H's policy remained uninterrupted so that he wasn't at risk of driving without insurance.

But as I've explained above, I've also thought about whether I think BMS acted unfairly in some other way, which has led Mr H to incur avoidable costs. I recognise Mr H feels BMS acted unfairly when only sending him renewal documents by post, when they had his email address to correspond with him.

But BMS have confirmed that, at the time Mr H's policy documents were issued, it was their business process to issue all renewal documents to a customer by post. While I appreciate

Mr H's unhappiness with this process, this isn't something I'm able to comment upon or direct BMS to change, as this process falls under BMS' commercial decision making, which falls under the remit of the industry regulator the Financial Conduct Authority to investigate.

But I would expect BMS to ensure this process was followed, and that Mr H was made reasonably clear this process was in place.

I've seen a screenshot of the information Mr H would've seen when he was initially purchasing the policy. And this explains under the section where Mr H would've selected his communication preference *that "regardless of your choice above, we may need to send standalone service communications to you to ensure you are kept informed about any information regarding your policy, such as renewal reminders"*.

I think this made it reasonably clear to Mr H that BMS would be able to make their own decision regarding how to send certain documentation, regardless of communication preferences. And specifically, renewal information was used as a working example.

And I've seen BMS' system notes which show on 10 May 2022, Mr H's renewal documents were sent to him by post. So, I'm satisfied BMS followed their business process correctly.

While I don't dispute Mr H's testimony that these renewal documents weren't received, I don't think it's fair for me to hold BMS responsible for any issues encountered with the delivery of these documents by the postal service. I can only hold BMS responsible for the actions they have taken directly, and I'm satisfied from the evidence available to me that the documents were sent. So, I think BMS were reasonable to assume these had been delivered and, because no contact was received from Mr H, continue to process the renewal in line with the terms of the policy he held.

I appreciate Mr H doesn't think it's fair for him to be left financially out of pocket for what does seem to be an issue with the postal delivery of the documents. But I do think Mr H had a responsibility to manage his account and as part of this, understand when the policy was due to renew and what action he would need to take if he didn't wish for the policy to continue. I can't see any evidence to show Mr H attempted to speak to BMS until the policy had already renewed, and a payment had been taken. And as the policy renewed, Mr H had the benefit of the policy for the time between the renewal, and the date it was cancelled.

I also note within the policy it explains clearly that, should Mr H choose to cancel the policy after it had renewed, a charge would be applicable of differing levels depending on whether the cancellation fell within, or outside of, the 14 day cooling off period. So, I don't think I can say BMS have acted unfairly when charging Mr H a fee when he made them aware of his intention to cancel.

So, because of all of the above, I don't think I can say BMS have done anything wrong on this occasion. And so, I don't think they need to do anything more.

My final decision

For the reasons outlined above, I don't uphold Mr H's complaint about Bennett's Motorcycling Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 16 March 2023.

Josh Haskey

Ombudsman