

## **The complaint**

Mr M complained that his motor policy unfairly auto-renewed with a new insurer, Atlanta Insurance Intermediaries Limited U K Insurance Limited (“Atlanta”), when his current insurer was no longer able to provide him with cover.

## **What happened**

As Mr M’s current insurer no longer offered car insurance that met Mr M’s needs, his details were passed to Atlanta to quote, as Mr M had asked for his policy to auto-renew.

Atlanta sent Mr M a quote and informed him it would auto-renew his policy unless Mr M informed Atlanta it was no longer needed. Atlanta followed this up. It sent Mr M the renewed policy, details of the payments it would take and an option to cancel if it wasn’t what he wanted.

Around three months later when Mr M checked his bank statement, Mr M realised the policy had been set-up. He told Atlanta he didn’t know the policy had been set-up, he no longer had the car (he’d had it scrapped), so never needed the policy. He asked for the policy to be cancelled and for the premiums to be refunded which he’d paid.

Atlanta cancelled the policy, but it said without proof of the vehicle been scrapped, it wouldn’t refund the premiums.

Our investigator decided to uphold the complaint. He thought the evidence suggested on the balance of probabilities that Mr M’s account was accurate, and he was paying premiums without any benefit of insurance cover. So, he asked Atlanta to refund any premiums paid, plus 8% interest from the date it was asked to cancel the policy. He asked Atlanta to refund any interest or fees charged by the credit provider. He also recommended £150 payment for compensation for the distress and inconvenience caused. Atlanta disagreed, so the case has been referred to 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.

I made a provisional decision on this on 7 August 2024. I said:

*“It’s normal when a policyholder is on an auto-renewal policy that his cover is passed to another insurer to fulfil if the original insurer can no longer provide cover. It ensures the policyholder is not unknowingly left without insurance cover.*

*Mr M told our service he didn’t receive any communications about the renewal. He also told our service, he didn’t use his vehicle after his original policy expired, instead he passed his vehicle to a friend who was a mechanic who stripped the car and used it for spares. Atlanta has provided the two communications it sent to Mr M.*

*Atlanta have said Mr M had a legal responsibility to be able to prove sale or scrappage. It said Mr M would have had to transfer ownership or have been provided with proof of scrappage by the mechanic, otherwise he left himself been open to be fined by the DVLA.*

*Mr M has explained that he doesn't have any details of the scrappage as it was done via a friend rather than been direct with a scrap merchant. He said his nearest scrap merchant was located around two hours from his home. Mr M's vehicle also hadn't been MOT'd and taxed for the period of the renewal. Mr M said this was further evidence his car wasn't used and supported his testimony.*

*Whilst, I do have sympathy for Mr M, I haven't seen anything that Atlanta has done wrong, so I don't intend to uphold this complaint. Atlanta has simply done what is expected of it to ensure cover has continued for Mr M, so he wasn't inadvertently involved in an accident without having the necessary legal insurance.*

*I appreciate there is evidence that suggests Mr M may not have used his car during the renewal period or even had his physical car. But the evidence is inconclusive. Atlanta have explained Mr M would still need insurance if his vehicle was given a Statutory Off Road Notification (SORN).*

*There is no evidence that Mr M did pass his car to a friend to be scrapped, either through legal registration documents, written testimonies or photographs of the car stripped down. Atlanta have said if some evidence is provided it would reconsider Mr M's request to refund his premiums. I think this is fair. As Atlanta has set out, even if Mr M used a friend to scrap his vehicle, he still had a legal responsibility to complete a transfer of ownership of his car to his friend. There isn't evidence of this.*

*There is evidence that Mr M was sent the renewal documentation from Atlanta. I appreciate Mr M said he didn't read this, but I can't say Atlanta did anything wrong as it notified Mr M what it was doing at the request of the original insurer.*

*I have no doubt if Atlanta is furnished with evidence the car was transferred, signifying insurance wasn't required, then it will do what it has said and it will re-consider its position. But there isn't evidence currently, that Mr M didn't have the benefit of the insurance cover for the period when premiums were paid. So, for the reasons I've set out, I don't intend to uphold this complaint".*

### **Responses to my provisional decision**

Neither party responded to my provisional decision.

### **My findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As neither party has provided any new information, I see no reason to change my provisional decision.

### **My final decision**

My final decision is that I don't uphold this complaint. I don't require that Atlanta Insurance Intermediaries Limited are required to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or

reject my decision before 3 October 2024.

Pete Averill  
**Ombudsman**