

## **The complaint**

Mr W complains that Avantia Insurance Limited (“Avantia”) took a renewal payment without his permission, for a policy he didn’t wish to renew.

## **What happened**

In March 2022 Mr W took out a Homeprotect policy online with Avantia. On 21 March 2023 he renewed the policy for a further year. Mr W says that before the policy expired, he’d started reviewing similar products with other insurers and hadn’t decided which insurer to use for the next policy period.

On 14 March 2024, Avantia took a renewal payment of £628.82 from Mr W’s account. Mr W complained. He said he hadn’t given Avantia permission to renew his policy or take a payment. And that he hadn’t agreed with Avantia in advance that his policy could auto-renew. He also told Avantia he’d been able to get a cheaper quote elsewhere.

In Avantia’s response to the complaint, it said it had sent Mr W a renewal document in February by post letting him know that the payment would be taken a week before the renewal date. It also said that insurance premiums were calculated by carrying out an assessment of the proposed risk and various factors were considered. It concluded by saying that, regrettably, it was unable to match the quote he’d received from another insurer, but that it had cancelled his policy from the renewal date and refunded his premium in full.

Mr W didn’t accept Avantia’s response. He said Avantia had breached its contract with him, and hadn’t complied with insurance rules in that it hadn’t, at the pre-contract stage, provided any notice that the policy would automatically renew or that payment would be taken a week before renewal and without express authorisation from Mr W. He also said it had failed to acknowledge any of its errors, and that its use of the postal service to send the renewal notification was unreasonable. So he referred his complaint to this service.

Our Investigator considered the complaint, but didn’t think it should be upheld. He said Avantia had been able to demonstrate that Mr W would’ve had to agree to certain terms before proceeding with his purchase of the policy, including the term about permitting automatic renewals. The Investigator also told both parties that he’d reviewed the notes provided and couldn’t see that Mr W had raised concerns about the policy auto-renewing the previous year. As a full refund had been given, the Investigator didn’t think the complaint should be upheld.

Mr W didn’t agree with our Investigator. He made numerous submissions, including the point that there was no actual evidence he’d seen the message online about auto-renewals and that the Investigator had made an assumption that he knew the policy would auto-renew. Because Mr W didn’t accept our Investigator’s view, the complaint has now come to me to decide.

## **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.

As this is an informal service, I'm not going to respond here to every point raised or comment on every piece of evidence Mr W and Avantia have provided. Instead, I've focused on those I consider to be key or central to the issue in dispute. But I would like to reassure both parties that I have considered everything submitted. And having done so, I'm not upholding this complaint. I'll explain why.

Mr W says he has no recollection of a message being displayed when he took out the policy, to alert him to the fact that the policy would automatically renew. However, I've been provided with a screenshot of the box which must be ticked before a customer can proceed with a purchase. Mr W has said he doesn't recall seeing such a message, but this alone doesn't persuade me that it wasn't presented. And based on all the evidence I've seen, including the screenshot, and the fact that Mr W didn't complain about the auto-renewal one year earlier, I'm satisfied that he was likely made aware that the auto-renewal would take place.

Mr W also says it's not enough for this service to rely on Avantia's claim that a consumer would've needed to tick a box to agree to the information displayed before the policy could be purchased. He refers to Avantia's obligation to prove that he actually saw the message. But that's not the standard of proof required by this service. Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), we reach our decisions on the balance of probabilities – in other words, what we consider is most likely to have happened in light of the available evidence and the wider circumstances. It's not necessary for Avantia to prove Mr W saw the auto-renewal message online for me to be satisfied it's most likely it was presented to him in a clear and unambiguous way.

Mr W has included in his submissions to us, that mistakes were made in Avantia's handling of his complaint. He's said Avantia responded to a complaint about the price of the policy, which isn't something Mr W specifically complained about, and that it didn't respond to or acknowledge his complaint promptly. As Mr W has correctly stated, complaint-handling itself isn't a regulated activity.

The FCA Handbook (Glossary Terms) defines a complaint as, *'any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a person about the provision of, or failure to provide, a financial service, claims management service or a redress determination, which alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience'*.

In summary, DISP 2.3.1R says that the Ombudsman can consider a complaint under the Compulsory Jurisdiction if it relates to an act or omission by a firm in carrying on one or more of the regulated or other covered activities, or any ancillary activity carried on by the firm in connection with them. The definition of a complaint is the same in DISP 2.5.1R for firms under our Voluntary Jurisdiction.

And in DISP 2.1.4G (3), carrying on an activity includes, *'the manner in which a respondent has administered its business, provided that the business is an activity subject to the Financial Ombudsman Service's jurisdiction.'* So we can look at the activity, and how the activity was carried out.

The relevant case law is *R (Mazarona Properties Ltd) v Financial Ombudsman Service* [2017] EWHC 1135 (Admin). In summary, this confirms that a complaint about complaint handling is not a complaint about a 'financial service', so falls outside of our compulsory and voluntary jurisdictions.

I've taken into account Mr W's comments regarding ICOBS, the DISP rules, contract law and the duty of care which Avantia has towards its customers. But Mr W will also be aware that using financial services isn't always hassle-free and this service doesn't make awards for mistakes or inconveniences that aren't more serious than the normal nuisances of everyday life. So, just because there's been an issue that required Mr W to complain in order for it to be sorted out, it doesn't necessarily follow that compensation is due, particularly if the impact was minimal.

And, even if Mr W is correct about Avantia's failings, which I'm not satisfied he is – because I consider the evidence shows he was likely made aware of the auto-renewal process, I'm still not persuaded that the impact of what happened was more than minimal in this case. On Mr W's complaint form, when asked how he's been affected – financially or otherwise – he's written "Not directly". And I've not seen that the removal of £628.82 from his account caused him any financial hardship or significant difficulties. He's mentioned the potential impact of going over his credit card limit and facing penalties as a result, but this didn't happen. He's also said it was by luck that the situation didn't cause him material interference with a mortgage application at the time.

In any event, Mr W was refunded promptly, so I don't think the circumstances of this case warrant a compensatory award. It follows therefore, that I don't consider Avantia has acted unreasonably or unfairly here and I don't uphold this complaint.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 30 March 2025.

Ifrah Malik  
**Ombudsman**