

complaint

Mr C's unhappy that Devitt Insurance Services Ltd automatically renewed his motor cycle insurance in August 2018.

background

Mr C says he received renewal documentation for his motorcycle policy from Devitt. He didn't want the policy to renew and assumed it wouldn't as his debit card used to pay previously had expired. So, he took no action. Despite this the policy was renewed and a payment taken. He's unhappy a payment was taken from his card without authorisation and with the amount that has been refunded to him after the policy was cancelled. He would like a further refund.

Devitt said in its final response that the policy was renewed automatically on 1 August 2018 to ensure payment was collected before the renewal date of 10 August 2018. A letter was sent to Mr C on 20 July 2018 advising that the policy would automatically renew and explaining what would happen. As Mr C still owned the bike and cover had been in place it was unable to later provide a full refund.

Our adjudicator felt this complaint shouldn't be upheld. He said:

- Devitt's terms of business sent when the policy was first taken out say it will be automatically renewed. And the renewal documents Devitt sent to Mr C confirm the policy will be automatically renewed and make clear that if he didn't want the renewal to go ahead he should contact it. As Mr C didn't contact Devitt it was fair for it to renew the policy.
- Mr C is unhappy that Devitt was able to take payment from his card even though it had expired. But whether or not a payment is released is a matter for the card issuer.
- Devitt is a broker and isn't responsible for setting the premium charged by the actual insurer. So if Mr C is unhappy about the amount of premium returned to him he will need to take that up with the insurer. But Devitt seems to have correctly worked out the fees for renewing and cancelling the policy. And they appear proportionate and reasonable.
- Overall Devitt has handled matters fairly and he doesn't think it should have to do anything more.

Mr C remains unhappy and has asked for an ombudsman review. He has questioned whether Devitt has evidence he authorised automatic renewals.

my findings

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

I agree with the adjudicator's conclusions for the same reasons.

When Mr C took out the policy in August 2017 he was sent a covering letter which said he should check all the documents within this pack and ensure he read his policy terms and

conditions. Those terms clearly say that if he paid in full by credit or debit card Devitt would arrange for the policy to be automatically renewed.

As such I think Devitt was acting within the agreed terms and conditions by automatically renewing the policy in August 2018.

Furthermore Mr C was told in the renewal documentation to contact Devitt if he didn't want to renew. But he didn't do so. Instead he assumed, wrongly as it turned out, that as his card had expired the payment wouldn't go through and the policy wouldn't renew.

I understand this was frustrating for Mr C but the authorisation of the payment is a matter for the card issuer not Devitt. And as the adjudicator has said if he remains unhappy about this he will need to take this matter up the card issuer.

It also appears that Mr C was told of Devitt's charges and fees for renewals and cancellations. And they appear to have been properly applied in this case. If he is unhappy about the amount of premium refunded to him he will need to contact the actual insurer.

Overall, I don't think Devitt has done anything wrong or treated Mr C unfairly. And I don't think I can fairly ask it to refund any more money to Mr C as he'd like.

I don't see any compelling reason to change the proposed outcome in this case.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 17 January 2020.

Stephen Cooper
ombudsman