

Direct Line to pay £30m to customers overcharged when renewing car or home insurance

Direct Line is set to pay £30m in compensation to customers who were overcharged when renewing car or home insurance.

Last year, rules were imposed that meant existing insurance customers couldn't be charged more than new ones.

But the insurer admitted there was an "error" in implementing the Financial Conduct Authority's regulations – meaning some Britons ended up paying more for their renewal than they should have.

It's unclear how many people are going to be compensated – but not all customers who have renewed since January 2022 have been overcharged.

Direct Line says it will contact affected customers directly, meaning they don't need to take action.

All of this comes as the cost of car and home insurance rises substantially.

Typical premiums for someone renewing their motor insurance with Direct Line have jumped by 19% year on year.

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On Wednesday, Direct Line confirmed it has appointed Adam Winslow from Aviva as its new chief executive – and he'll start in the first quarter of 2024.

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[Earlier this month](#), Sky's City editor Mark Kleinman revealed the company and Mr Winslow had held discussions about the vacancy.