

The complaint

Mrs S is unhappy with her insurers Royal and Sun Alliance Insurance PLC (RSA) who declined to remove a marker on her home insurance policy.

What happened

In 2017 Mrs S lost a piece of jewellery. She contacted RSA to see if she could make a claim. She was told by the call handler that she wasn't covered and couldn't make a claim.

In 2019 when Mrs S enquired with another insurer about cover for home insurance, she was told that she had made a claim in 2017 and as a result her premiums would increase. Mrs S explained that she hadn't made a claim, that she had just made an enquiry.

Mrs S contacted RSA and asked them to remove the marker from her record as it would be affecting her future premiums. RSA didn't uphold her complaint. It said that it relied upon its standard claims procedure which meant that if a consumer contacted them to enquire about making a claim, RSA would have to tell the Claims and Underwriting Exchange (CUE). It felt it had treated her fairly and could do no more.

Mrs S was unhappy and brought the complaint to the service.

Our investigator didn't uphold the complaint and found that RSA had acted fairly. He said that RSA could rely on the standard claims procedure as it was signed up to CUE. He found that the marker didn't have an impact on Mrs S' future premiums and so RSA didn't do anything wrong.

Mr S didn't agree with our investigator and asked for a decision from 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.

Having done so, I won't be upholding this complaint. I will now give my reasons why.

Standards claims procedure

RSA provided the call recording of the conversation Mrs S had with the call handler. I've heard that recording and based on the conversation, it appeared to RSA that C was making a claim. RSA relied upon its standards claims procedure which states:

"Under the conditions of your policy, you must tell us about any incident (such as fire, water damage, theft or an accident) which may or may not give rise to a claim. When you tell us about an incident, we will pass information relating to it to the register."

So I think the policy makes it clear that once a policyholder gets in touch with RSA (whether a claim is made or not) RSA will register the information as a claim. Part of its registration process is that RSA will pass the information to CUE, which is what it did.

Despite this, I have to be satisfied that RSA acted fairly when applying its standard claims procedure.

RSA has provided the CUE entry that concerns the 2017 enquiry. What I can see from the entry is that RSA has entered under the claim status “no cover” with ‘£0’ as an amount claimed. So I think it is reasonable, that other insurers, who are signed up to CUE, would be able to see that she wasn’t covered for that claim and that no money was paid out. But it would be difficult to say how they would use this information.

As for RSA, the evidence it has presented, shows that the increase in Mrs S’s premiums following the 2017 query, was consistent and in line with previous increases. Also, RSA has provided evidence from its underwriters that confirm that the marker didn’t influence the increase of the premium. In the circumstances, I do think that RSA have acted fairly towards Mrs S.

Whilst I can see how strongly Mrs S feels and how disappointing this will be, I don’t think RSA have acted unfairly by relying on its standard claims procedure nor can I see that the marker has had any adverse effect on Mrs S financially.

My final decision

My final decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs S to accept or reject my decision before 29 June 2020.

Ayisha Savage
Ombudsman