

The complaint

Miss S complains that Rhino Protect Limited (RP) cancelled her home seller's insurance without any explanation.

What happened

Miss S purchased a policy online from RP on 9 November 2020. During the online purchase process, Miss S explained that she was directed to several different companies and that she had received blank insurance documents. So, she contacted RP.

Miss S told the advisor that she felt that the company wasn't genuine, given her experience during the online purchase process. The advisor assured Miss S that RP was genuine and that there was a glitch in the system that caused blank documents to be sent to customers. She explained that she would get this rectified by another colleague.

Miss S enquired how she would go about getting the policy cancelled and informed the advisor that she had already cancelled her payment card, as she believed that the company wasn't genuine. Miss S also asked the advisor to refund her payment. But told the advisor that before this was to be done, she wanted the correct completed insurance documents sent to her and a call back from the advisor's manager.

On the next day, Miss S received her policy documents by email. The documents had been completed, but there were a few errors contained in the paperwork. So, Miss S contacted RP to point out the errors. Miss S describes that the advisor was discourteous and unprofessional. And asked for a call back from the manager.

Instead of receiving a call back, Miss S received an email informing her that RP felt that the relationship between them had broken down. It also told her that her policy would be cancelled, and her premiums would be refunded.

Miss S sent RP an email complaining about the poor level of customer service and informing it that she would be referring her complaint to our service, which she did, before RP sent her its final response.

One of our investigators considered the complaint and didn't think it should be upheld. She said that the main issue of Miss S' complaint was, RP's decision to cancel her policy prior to her deciding whether she wanted to continue with it. She explained that this was a commercial decision and in line with the policy terms and conditions. She accepted that RP had made mistakes in the documentation that was sent to Miss S, but as it had apologised for those errors, she believed that this was enough. And that she was unable to ask RP to do anything further to resolve the complaint.

RP accepted the view, Miss S did not. She said that as she had voiced her concerns about RP and pointed out the errors in the paperwork that had been sent to her, it cancelled her policy, without any explanation. Miss S relied upon the policy terms and conditions, where it said that if RP wanted to cancel the policy it had to give customers seven days' notice of its

intention to cancel. So, RP had breached its own terms and conditions. Miss S reiterated that she had done nothing wrong and RP cancelled her policy. She felt that she had been treated unfairly and RP had breached its own terms and conditions. So, she 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.

I considered the complaint and I thought the complaint should be upheld. I issued a provisional decision on 6 June 2022 and asked both parties to send me anything else by 4 July 2022. In my provisional decision I said:

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of the complaint.

Having done so, I'm minded to uphold this complaint, and I will explain why I think this is fair.

Miss S took out cover with RP for a home seller's insurance policy on 9 November 2020. The policy was initially taken out online, but during the purchase process Miss S describes being unable to access links on the site and when she did, this directed her to different companies. She explained that she was sent blank documents and because of her fear that RP wasn't a genuine business, she cancelled her payment card and wanted re-assurance from RP. Miss S describes that RP without giving her the requisite notice period, cancelled her policy.

I have considered all of the evidence provided to me from both parties and having done this, I think the main issues of this complaint are, whether RP complied with the policy terms and conditions. And whether the level of service that it gave Miss S fell below the usual standard.

Breach of terms and conditions.

I have considered the policy terms and conditions and in particular the term that deals with RP's obligations if it wants to cancel a policyholder's policy. It says: 'In circumstances where we feel we cannot continue providing services to you, we will give you a minimum of 7 days' notice.' Both parties agree that the policy was cancelled by RP the following day. I note that RP has accepted that it cancelled the policy without giving Miss S the seven-day notice period.

RP said that it was an 'oversight' and it believed that it should resolve the 'situation' as quickly as possible. Whilst I can understand that RP wanted to terminate its contract with Miss S, I don't think it was fair or reasonable to disapply the policy terms and conditions in effecting the termination. I think the term is clear, that a notice period should have been followed. That period wasn't followed and from the evidence before me, I can't agree that there was any reason to circumvent the notice period. Consequently, I think that RP had breached the policy terms and conditions. And I think, this error should be reflected by way of compensation for the trouble and upset caused.

Poor customer service

I have next considered the customer service that Miss S has also complained about. RP said that Miss S had 'completely overreacted to the situation'. And it seems that because of this, it cancelled the policy.

I have listened to the first call recording that was sent. The summary of the call is as follows. Miss S initially said that she felt that 'the company was fake'. She enquired about how to cancel the policy that she had set up online. She gave reasons during the call why she was

concerned. Which essentially was because she was sent policy documents that were blank, and each time she followed a link, as directed on the website, these displayed details of another unrelated company. The call handler confirmed that there had been an issue with the computer system, which RP was aware of. There were occasions when the call dropped. Miss S did say that as she felt that the company wasn't genuine, she cancelled her payment card so that no further money could be taken. The call ended with both parties agreeing that another set of completed documents would be sent out to Miss S by email and that a manager would contact her to discuss the policy.

Later Miss S received the documents by email with an accompanying letter (which I have read). In the letter, it invited Miss S to contact RP if there were any errors. Miss S phoned RP as there were several errors and during that call, Miss S said that the call handler was discourteous and unprofessional. I asked RP to provide all the call recordings (including the recording where she alleges the call handler was rude), as Miss S said that she had made a few calls to RP and spoke to various staff to gather information about whether it was a genuine company.

RP said that it struggled to locate the call recordings, despite a search. But confirmed that it couldn't say that the calls didn't happen. Miss S provided a testimony in which she gives details of the unprofessional behaviour of the call handler who spoke to her. She describes the call handler being disinterested in what she had to say and being unprofessional towards her. In the absence of any call recordings from RP that is contrary to Miss S' account, I think I'm persuaded by Miss S' testimony, as soon afterwards, she was emailed a termination of policy letter.

As we're an impartial dispute resolution service, our general approach is to investigate whether a business has made an error or acted unreasonably on individual complaints and if they have, we consider what has to be done to put things right.

Having considered the evidence, I think that the level of service Miss S received could've been better and I have to consider the impact of the errors on Miss S. I also note that when Miss S complained to RP, it didn't respond within the timescales as outline in the policy. And I have taken this into account.

I understand that Miss S said that because her policy was cancelled, she was unable to make a claim for the aborted sale of her property. But the policy was cancelled in November 2020. From the additional information Miss S provided relating to the aborted sale, I note that the failed sale took place around January 2021. So, I think that Miss S would've had enough time to organise alternative cover, had she wanted to, before the sale of her property. So, when considering the impact, I think the impact was reduced.

I do think that Miss S had concerns about the company and asked genuine questions to alleviate her fears. I also think there were errors in the paperwork sent to Miss S and RP didn't comply with the policy terms and conditions.

As such, I think it's fair and reasonable that RP put matters right. I think that Miss S had been inconvenienced by the errors I've mentioned. But the impact would've been reduced as I explained above. However, RP ought to compensate Miss S for the trouble and upset this caused and I think £150 is a reasonable sum that adequately reflects this. I also think that if the cancelled policy has been entered in the Claims and Underwriting Exchange (CUE), RP ought to ensure that the details in it, are accurate and provide Miss S with a copy of the entry.

Responses to my provisional decision

RP did not reply to my provisional decision.

Miss S said that RP were the only company who provided home seller's insurance. That she tried to find other companies but the two she found came back to RP providing the insurance. And as it was RP who cancelled the policy, there were no others she could access, so she was left without protection. As a result, she suffered financial loss. Miss S didn't mention the amount of financial loss she suffered.

I have carefully considered Miss S' responses to my provisional decision and I conducted an internet search for providers who sold home sellers insurance. I found a few companies that provided this kind of insurance. Whilst it is fair to say that two of the companies apparently had links to RP, there were other companies who provided this form of insurance and had no links with RP at all.

Nonetheless, I accept that there are only a few insurers who provide this insurance product, but I do think that Miss S would've been able to find an alternative provider. So, I don't think it's fair or reasonable for RP to pay the additional losses that Miss S said she suffered from, as a result of the failed sale of her property.

In addition, I understand that Miss S said that she wouldn't have had sufficient time to take out another policy as the terms of the policy said that home seller's insurance had to be taken out within seven days of the accepting an offer on the property being sold. But as I mentioned in the provisional decision, the policy was cancelled by RP in November 2020. The aborted sale of Miss S' property occurred in January 2021, so I think there was enough time for Miss S to organise alternative insurance, with another provider, if she needed.

In the circumstances, I'm satisfied that RP made errors and those errors would've impacted Miss S. For those errors, I think it's fair and reasonable for RP to pay Miss S compensation of £150 which reflects the trouble and upset caused. I also think that if the cancelled policy has been entered in the CUE, RP ought to ensure that the details in it, are accurate and provide Miss S with a copy of the entry.

Putting things right

To put matters right, I direct Rhino Protect Limited as outlined below.

My final decision

For the reasons I have explained, my final decision is that I uphold this complaint.

Rhino Protect Limited to pay compensation of £150 to Miss S for the trouble and upset caused.

Rhino Protect Limited are to ensure the details on the CUE are accurate and provide Miss S a copy of what has been entered, within 28 days of the date on which we tell it Miss S accepts my final decision.

Rhino Protect Limited must pay the compensation within 28 days of the date on which we tell it Miss S accepts my final decision. If it pays later than this it must also pay interest from the date of my final decision to the date of payment, at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 16 September 2022.

Ayisha Savage
Ombudsman