

The complaint

Mrs M complains Ageas Insurance Limited failed to renew her home insurance policy, and about the service she received when the issue came to light.

What happened

Mr and Mrs M had a joint home insurance policy with Ageas. Mr M was the direct debit holder.

In December 2019, Mrs M informed Ageas that Mr M had passed away, and the direct debit details were updated. The monthly premiums were successfully taken via the new direct debit details until 31 October 2020, when that 12-month policy period came to an end.

Ageas says, due to an error when the direct debit details were updated, the renewal wasn't generated, and no cover was in place from November 2020 onwards. Ageas says the error was identified in March 2021, and a voicemail was left on Mrs M's contact number, but the call wasn't returned.

In December 2021, Mrs M contacted Ageas about a radiator leak, with a view to making a claim. Whilst no cover was in place, Ageas offered to backdate the cover for 50% of the premiums and consider the claim. It also offered £25 compensation. Mrs M remained unhappy, so she referred a complaint to our service.

One of our investigators has considered the complaint. He thought Ageas' offer to backdate the policy for 50% of the premiums and consider the claim was fair. However, he thought the compensation should be increased to £100.

Ageas accepted our investigator's recommendations. But Mrs M thought £250 compensation should be paid. She noted she had spent an hour discussing the matter with Ageas, and she was unhappy it rejected her request for a few days free cover whilst she decided what to do.

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.

Ageas accepts it made an error by not offering renewal. So, what I need to decide here, is whether Ageas did enough to put matters right.

I consider Ageas' offer to backdate the cover for 50% of the missed premiums, to be fair and reasonable. This would have provided Mrs M with continuous cover, so her claim could be considered. Had Ageas not made the error, Mrs M would have always had to pay for the cover.

As I understand it, Mrs M chose not to accept Ageas' offer, as having read the policy terms, she didn't think her radiator leak would be covered. As such, I can understand her decision not to pay for backdated cover, and to instead take out cover with another insurer. But nonetheless, I consider Ageas to have treated Mrs M fairly with its offer.

Turning to the compensation, I agree with our investigator, £25 doesn't fairly reflect the upset likely caused to Mrs M when she learnt she had no cover, or the inconvenience of having to sort the matter out.

However, I haven't seen anything that would lead me to increase the compensation beyond £100. Even if I were to accept Ageas could have given Mrs M a few days cover whilst she took some time to think about matters, I'm satisfied £100 compensation fairly reflects the upset and inconvenience she's described.

My final decision

For the reasons I've set out above, I uphold this complaint.

My final decision is Ageas Insurance Limited should:

- pay Mrs M £100 compensation, in total (if £25 has already been paid, a further £75 would be due).

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

Vince Martin
Ombudsman