

The complaint

Mr K complains that One Call Insurance Services Ltd (One Call) declined his claim for damage to his flat roof, and they mis-sold him a home emergency insurance policy which excluded flat roofs. He also complains that his policy auto renewed and he has incurred charges.

What happened

Mr K bought buildings and contents insurance in August 2020 through One Call via a comparison website. One Call were the brokers for the buildings and contents policy, but the add on home emergency cover was provided by One Call.

The policy came into effect on 3 August 2020.

In August 2020 Mr K made a claim under the home emergency cover policy for a leak to his flat roof. This was declined as flat roofs were not covered under the policy. Mr K complained about this and also complained that the policy had been mis-sold as he had told One Call that his property had a 70% flat roof at the point of sale.

One Call said that the policy exclusions were in the policy documents and so Mr K was aware.

In July 2021 One Call sent Mr K a renewal invite for his buildings, contents and home emergency cover by post, and it was also available online in his portal. A reminder was sent in later July. The notice advised that the policy would auto renew, and Mr K would need to cancel it if he didn't wish to continue.

Mr K didn't make contact with One Call and on 3 August the policy auto renewed. Mr K cancelled his direct debit on 3 September and the policy was cancelled from 11 September. However, as this was outside the 14-day cooling off period, One Call charged Mr K for the broker fee, the cancellation fee, and the period on cover. They also asked for proof of the alternative cover in place. If they were only the broker on the policy One Call couldn't waive fees applied by the insurer.

Following this complaint, One Call removed the broker fee and cancellation fee, but left the balance of £61.29 which was the fee payable for the time on cover.

Mr K was unhappy with this response and brought both of his complaints to us.

One of our investigators has looked into both of Mr K's complaint. He thought that in respect of the auto renewal, Mr K had been given sufficient notice of what he needed to do if he didn't want to renew, and in respect of the possible mis sale, One Call had done enough to bring the exclusions to the attention of Mr K.

Mr K disagreed with our investigators view and so the case came to me to review.

I issued a provisional decision on the complaint. My provisional findings were as follows:

Was the policy mis sold?

What I have to consider here is whether the policy that was sold to Mr K was suitable for his needs, giving him the cover that he wanted. It's acceptable for the policy to have exclusions and restrictions on the cover, provided that Mr K was made aware of those exclusions and was not in any way misled about the cover he was purchasing either directly, or because important information about that cover was not made clear to him.

I have reviewed all the information that was available to Mr K, and in particular what he would have seen during the online purchase of the policy, and what was available to him on the portal.

The online sales process

I can see from the documents provided by One Call that during the sale process on the price comparison website, Mr K declared that his property had more than 50% flat roof and that it was a felt on timber construction. The property is a flat over a shop with around a 70% flat roof, and so flat roof cover will have been important for Mr K, which is presumably why he has been open and honest about the size of the flat roof during the sale process.

Having made the declaration that a significant portion of his property has a flat roof, I would expect an insurer to offer policies which would account for that, and if they weren't able to offer flat roof cover, to specifically draw the consumer's attention to any exclusion during the sale process.

One Call have told me that in the sale process, if the over 50% flat roof option is selected, no further supplementary questions are asked. They also haven't been able to provide any evidence of any pop-up screens or any warnings that specifically draw the buyers attention to the fact that there is no flat roof cover.

One Call have said in their final response letter that once the quotation is accepted from the price comparison site (the quotation being on the basis of the answers provided) the customer is redirected to their website to make payment. Before payment is made, the full policy documents are listed for the consumer to see and read. They have provided a copy of this screen, which lists the policy documents, but again there is no specific attention drawn to any exclusions, and in particular any flat roof cover.

In the letter sent to Mr K on 3 August 2020 following the purchase of Home Emergency Care Premium cover at the bottom of page 2 it lists the significant warranties, conditions, exclusions and endorsements. Within that list it says

"Excludes any damage to flat, tarpaulin, glass, plastic, felt or thatched roofs"

It also asks the customer to read the Insurance Product Information Document – which is attached. In that document it has a section "What is not insured" which has a red icon to draw attention to it, and it has listed:

"Any damage to flat, tarpaulin, glass, plastic, felt or thatched roofs".

Although I think this exclusion itself is clear and explicit, this letter is sent after the sale process and it doesn't alter the fact that Mr K had made a full disclosure about his flat roof at the point of sale, and yet was he was offered policies which excluded cover, and his attention wasn't drawn to it.

I am satisfied that had Mr K known that the majority of his roof wasn't covered by this policy, he wouldn't have taken it out. He has told me that the policy he was sold wasn't fit for purpose, and so I am satisfied that the Home Emergency Cover was mis sold to Mr K and I intend to uphold this part of his complaint.

The auto renewal

The notifications sent to Mr K make it clear that they will auto renew the policy unless he tells them otherwise.

On 15 July 2021 Mr K was sent a letter by post and through the online portal which explained that the policy would auto renew on 3 August and that if Mr K didn't want to renew the policy he would need to make contact with them by phone or letter. I'm satisfied that these were sent.

The letter also explained the charges:

"Cancellations and Charges

If you do not wish to renew your policy with us, or you just wish to remove any additional products, the policyholder must notify us by telephone before the renewal date or we will charge you £35.99 in addition to your insurer's time on risk. Any additional products cannot be removed from 14 days after the renewal date.

Within the first 14 days from receiving your policy documents, or the policy start date, you may cancel your policy under the terms of the cooling-off period. This is provided that you cancel your policy and return all documentation within 14 days of receiving your policy documents, or the policy start date, whichever is the latter, along with a written explanation. All insurers have a right to apply a 'policy time on risk' charge. One Call Insurance will apply a charge in addition to any insurer charges to cover the cost of setting up your policy in accordance with our terms of business. After this cooling-off period we will cancel your policy on a 'pro rata' basis with an insurer fee applied. We will also include any administration fees and any additional products applied during the policy term. Full details can be found in our main terms and conditions, located on our website, or alternatively you can call our office to request a hard copy.

We reserve the right to make a charge to cover the cost of setting up your policy where your cover is cancelled within the cooling off period - £35.99

Any changes made to the policy after the start date will be subject to a charge of up to £39.00 in addition to any change in premium from the insurer".

On 2 September 2021 Mr K cancelled the direct debit but hadn't contacted One Call direct to tell them that he didn't want the policy, so One Call sent a seven-day cancellation letter, and then cancelled the policy on 11 September. They sent Mr K confirmation of the outstanding balance that was due, which included the broker fee, the cancellation fee, and the charge for the time on cover.

Following his complaint and their investigation, One Call agreed to waive the broker fee and the cancellation fee, but they couldn't waive the fee for the time on cover without proof of alternative cover being in place.

I am satisfied that Mr K was given sufficient information about what he needed to do in order to prevent auto renewal, and what those charges would be. I think that One Call have acted fairly in applying those charges, although I note that they have now waived some of them as a gesture of goodwill and are also willing to reconsider the fee for the time on cover if

evidence of alternative insurance is provided. In view of this, I don't think that One Call have done anything wrong here.

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 sent Mr K and One Call a copy of my provisional decision. After further correspondence with both parties, I amended the redress to a refund of premium, which One Call have now accepted. Mr K has not replied further.

I am therefore making my final decision for the reasons I've summarised above.

Putting things right

In order to put things right, One Call should refund Mr K the Home Emergency Cover premium he has paid for the year 2020-2021, plus 8% statutory interest on that sum from the date that it was paid until the date of the refund.

My final decision

My final decision is that I uphold Mr K's complaint and direct One Call Insurance Services Limited to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 22 September 2022.

Joanne Ward
Ombudsman