

The complaint

Mr B experienced difficulties contacting Sainsbury's Bank Plc ("Sainsburys") to cancel his policy and he was unhappy he was charged his premium. Sainsburys were acting in a role of broker, so were responsible for the payment side and administration of the policy.

What happened

Mr S decided he wanted to change his insurer and he arranged a policy with a different one. However, he was unhappy his policy arranged through Sainsburys was set-up so it would automatically re-new at the end of its term, unless Mr S contacted Sainsburys to inform it he didn't want this to happen. Mr S wasn't aware of this arrangement when he took out the policy.

Mr S tried to contact Sainsburys to tell them he didn't want his policy re-renewing but was unable to do so. Sainsburys website said cancellations had to be done by phone, but Mr S couldn't get through to speak to a call agent. He looked to write an email, but all the contact details he could find were "no-reply". So, he sent a letter but as he had no reply he sent another letter by recorded post.

Unfortunately, as none of Mr S' attempts to contact Sainsburys worked, his policy renewed automatically, and his premium was taken from his bank account. As Mr S felt this was an unauthorised payment, he managed to have this recovered by his bank.

Sainsburys said the policy documentation sent to Mr S set out details of the automatic renewal and detailed that he could stop it by ringing five days before the due date. Sainsburys didn't receive any notification from Mr S that he wanted the renewal to be cancelled, but it did recognise the phone lines were extremely busy, so offered Mr S £75 compensation. Sainsburys has asked the insurer to cancel the policy from the date of renewal and treat it as if the policy never existed.

Our investigator decided to uphold the complaint. She thought Mr S should've been able to cancel his renewal more easily, so money wasn't taken from his bank account. She recommended the policy should be cancelled, the premiums refunded and no administration charges to be applied. She also awarded £75 for the distress and inconvenience Mr S suffered. Sainsburys disagreed, so the case has been referred to an ombudsman.

My provisional decision

I issued a provisional decision on this on 10 October 2022. I said:

"Mr S stated he wasn't aware his policy had an auto renewal set-up when he took out his policy. It's important when policies are sold that customers are aware of the key terms of the policy when it's taken out. I think this would be deemed to be an important piece of information."

Sainsburys said "When you activate a policy through Sainsbury's Bank, we ask you to read through your policy documents to ensure it is suitable for your needs. If you're unhappy with

anything you've read, you can cancel the policy within your cooling off period.

Within the policy documents, specifically the one titled 'About Our Insurance Services', we provide information about the Continuous Payment Authority that is in place. This reads;

"If we offer to renew your policy automatically, you give us permission to do so on the basis of the renewal premium and policy conditions, details of which we will send you before the renewal date. If you don't want us to do this, you can call us to let us know before the renewal date."

An automatic renewal invitation was uploaded to your online portal on 14 January 2022 and an email was issued to notify you. This provided you with the premium your underwriter had quoted for the year ahead as well as reminding you of your renewal date, and letting you know we would take the payment for your renewal 5 days prior to your renewal date. It also made you aware that if you wouldn't like to renew your policy then you could call to let us know. We didn't hear from you prior to the renewal date, so the policy was renewed on 31 January 2022 and updated documents were uploaded to your online portal to reflect this".

I am satisfied that Sainsburys did enough that Mr S should reasonably have been aware of the renewal process that was active on his policy. If he didn't want it he could have contacted Sainsburys before taking his policy out and informed it. So, I won't consider this point any more.

I have considered whether Mr S did enough to try and contact Mr S about his wish for his policy not to be auto renewed. Mr S could've cancelled his policy via the online portal, but he didn't seem aware this was an option. Sainsburys have confirmed there weren't any system issues around that period. Whilst I think the use of online technology is efficient, it doesn't work for everyone. I think it's important different communication channels are offered for different demographics to suit their individual needs.

Mr S said he tried several times to call Sainsburys, but its call desks were always busy. Sainsburys has confirmed its desks were busy at that time. Sainsburys said Mr S had commented that he had hung up after 16 minutes and it thought it would be reasonable for him to have waited longer. I don't know how long Mr S would've needed to stay on the line for his call to be answered. I'm persuaded that Mr S tried several times to get through, his testimony seems genuine. So, I think he's made a reasonable effort to get through.

As he couldn't get through on the phone, he considered writing an email but couldn't find an email address he could use. There is also evidence that he sent Sainsburys a recorded delivery letter – he said he sent a letter before this also. I'm persuaded Mr S did make a reasonable effort to inform Sainsburys of his intentions. But he was unable to make contact.

As Mr S couldn't get through to Sainsburys, money was taken from his account. I think it's disappointing that Mr S couldn't get through to Sainsburys due to its busy call lines, so I do think Sainsburys has let Mr S down here. I appreciate Sainsburys feels Mr S should've stayed on the line longer, but we don't know how long he would've needed to stay on to get his call answered. Mr S tried several times so was hoping he would catch a time when it was less busy. I don't think it's fair for businesses to expect their customers to wait long times for their calls to be answered. Sainsburys has offered £75 compensation for this wait. I think this is reasonable for the inconvenience it has caused for the long waiting times.

However, I don't think Sainsburys has considered the wider distress and inconvenience Mr S has suffered. The impact of the long call wait times meant he had to contact his bank to recover the premium that had been taken from his bank account. This will have taken time and caused frustration. I've also noted that Mr S' recorded delivery letter was with

Sainsburys in February, but he never received a final response to his issues until June. I think this is too long. I think the issue was a simple one and could've been resolved swifter and more easily. Therefore, for these delays, I intend to award a further £100 compensation. So, I uphold this complaint.

As Mr S recovered the premium from his bank directly and Sainsburys has been in contact with the new insurer to ensure the cancellation of the old policy is aligned to the start date of the new policy, I don't think there is anything more to do here".

Responses to my provisional decision

Mr S thanked our service for the provisional decision, but he felt the compensation should be more for the failings of Sainsburys. He clarified several points, but I will include the more significant of these:

[Policy] could be cancelled via the portal – Mr S said "this was not at all apparent. [The IT system] said – can only be done by phone. I noted when checking when the complaint was underway that they had opened this portal cancellation facility as a new addition".

Mr S also provided a commentary explaining his evidence that Sainsburys IT systems weren't working effectively.

Sainsburys didn't accept my provisional decision. It made some points that had been made before, so I won't repeat these. It explained that Mr S could've cancelled his policy via the online portal. Sainsburys said *"he made a conscious decision to terminate the calls before they were answered by an agent, and he could have opted out of the auto-renewal via the online portal as highlighted above".*

Sainsburys added *"when Mr S called us, the IVR/automated message system would have provided the following message to the customer - the quickest and easiest way to make a change is on our App or online free of any administration charges. You can download the App by searching for Sainsburys Bank Insurance in the App store or Google Play. Or you can also make changes to your policy online. Just visit Sainsburysbank.co.uk/myhome. Making changes over the phone will result in an administration charge".*

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.

Both parties have made some additional comments – Mr S said he couldn't access the portal. Sainsburys told me that it would've been easier for Mr S to use the portal.

This is the complaint in a nutshell. Sainsburys has argued that Mr S could access the portal, whereas Mr S said he couldn't. This doesn't matter. Sainsburys must provide a service to its customers that is accessible to all. It's not relevant to my decision whether the portal was working or not.

Access to Sainsburys services needs to be fair to all customers – Mr S tried several times to contact Sainsburys by phone and letter. As I said in my decision, I am happy Mr S made enough effort to contact Sainsburys. Sainsburys have signposted customers online or to an app – this may be appropriate for some customers, but it wasn't for Mr S. Sainsburys should've answered the phones quicker or responded to his letter. It didn't. I don't think this is reasonable. So, I maintain my decision. I think £175 in total for compensation is fair for the level of distress and inconvenience experienced – for the reasons I set out in my decision.

My final decision

My final decision is that I uphold this complaint. I require Sainsbury's Bank Plc to pay Mr S:

- £100* compensation – for distress and inconvenience (this is in addition to the £75* offered by Sainsburys which still needs to be paid - if it hasn't already).

Mr S has told our service he hasn't yet received the £75 payment from Sainsburys. Sainsbury's Bank Plc must pay the compensation (£175 in total) within 28 days of the date on which we tell it that Mr S accepts my final decision. If it pays later than this it must also pay interest on the compensation 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 Mr S to accept or reject my decision before 5 December 2022.

Pete Averill
Ombudsman