

The complaint

Mr W has complained about the cancellation by Royal & Sun Alliance Insurance Limited ('RSA') of his home insurance policy.

For the avoidance of doubt, the term RSA includes its agents and representatives in this decision letter.

What happened

Mr W initially made a claim to RSA for damage to his PC monitor and studio mixer in February 2023. RSA appointed agents to carry out an inspection of the damaged items and contacted Mr W to arrange their collection and to arrange a video interview. Mr W didn't agree with RSA's proposals, and he subsequently withdrew his claim. As a result, RSA cancelled his home insurance policy. Mr W felt that RSA had done so unfairly and that it had acted in a discriminatory manner towards him. He also believed that RSA had disregarded his disability needs. Mr W complained to RSA however it maintained its position.

In the circumstances, Mr W referred his complaint to this service. The relevant investigator didn't uphold the complaint. She noted that RSA had cancelled the policy in line with its terms and conditions. She said that Mr W failed to provide suitable arrangements for the items to be collected for inspection. She also noted that Mr W had refused to take part in a video interview and wasn't aware of any request by Mr W to adjust the process due to disability. She concluded that RSA hadn't acted in an unfair manner.

Mr W remains unhappy with the outcome of his complaint. The matter has therefore been referred to me to make a final decision in my role as 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.

The key issue for me to determine is whether RSA applied the terms and conditions of the relevant policy in a fair and reasonable manner. I've concluded that it has, and I'll explain why. In reaching this conclusion, I've considered the submissions of both parties, which can be summarised as follows.

I firstly turn to what Mr W has said about the matter. Mr W was clear that he had co-operated with RSA. He said that he did indeed *"arrange review of the broken item(s) but the third party did not provide correct details or make reasonable ability to send any item."* Mr W said he'd raised this with both RSA and its agents via phone call and in writing and raised a complaint with both at that stage. He received no response from the agents. Mr W said that he realised that the 'excess' on the policy would exceed the claim and so he didn't pursue the claim further and he considered this to be his legal right. He didn't consider that he should be *"intimidated into being forcibly made to bring claim on my policy."*

Mr W said that it was following his complaint that he was told he would need to be interviewed to discuss his complaint and claim. Mr W said he was busy and didn't accept; *"to be bullied by insurance company interview tactics, likened to some 'Police interview'".* Mr W therefore declined and requested an alternative, being correspondence in writing as phone calls. He said that 'interviews' could exacerbate his medical condition. He added that RSA had only requested an interview after he'd already withdrawn his claim. He said the interview; *"seems a deliberate method to find excuse to cancel my insurance"*.

Mr W felt that he'd been discriminated against by RSA and considered the *"insurance cancellation as malicious punishment following my complaint over service."* Mr W thought RSA's reasoning for cancelling the policy was false and hadn't taken into account an accessibility need and disability and no alternative had been offered. He gave examples of where cancellation might be appropriate, such as *"non-payment of premiums, misrepresentation of information, or changes to the property that make it ineligible for coverage."* He said that none of these applied here. Mr W thought that RSA were insinuating that he'd misrepresented information, but their position was vague. He categorically denied *"any such false allegation"*. Mr W also felt that RSA had changed its reasoning *"as excuse to cancel my insurance"*. He felt that there had been failures by RSA to contact him and to return his calls and e-mails.

Mr W also thought that the policy cancellation took place without justification or formal explanation. He was then left without insurance and without the opportunity to seek an alternative policy. He said it also affected his car insurance policy and felt *"This action has also meant that I am a high risk of harm, as my insured items are of considerable high value. The sudden removal of insurance has also left me in breach of law, as items insured are of legal requirement..."* Mr W said that he should have had notice of, and the opportunity to challenge such a sudden cancellation and should have received a refund on his premiums. He also said that the removal of insurance inflicted damage to his professional registrations and reputation. It had also *"left me out of pocket, as risk of harm and upset/stressed."* Mr W was therefore seeking considerable compensation to include the extra insurance cost, damages, reinstatement of his *"previous excellent insurance reputation"* and a full written apology from RSA.

Finally, Mr W said that it was clear that the whole point of discussing his policy by video interview was to discuss his complaint and not the claim; *'Also, I would like to arrange an appointment with you when we would be able to discuss the circumstances of the claim and the policy in full. This would be a video interview and if you can confirm some dates and times that you would be available, this can then be arranged.'*

I now turn to what RSA have said about the matter. It described the process it had intended to carry to validate Mr W's claim. It appointed its agents to carry out an inspection of the damaged items *"to determine the cause and if they can be repaired."* It said that Mr W was unhappy that agents had been appointed and a video interview call was requested. RSA referred to the terms and conditions of the policy booklet under the heading of *'claims conditions.'* It quoted from the document as follows: *'we'll arrange for the damage to be inspected by one of our representatives or an independent loss adjuster or other expert whose aim is to help us agree a fair settlement with you.'* RSA said that it had requested an appointment with Mr W to discuss the circumstances of the claim and the policy in the form of a video interview. It noted that the policy stated that the customer needed to give RSA any help and evidence needed about the cause of the claim and its value.

RSA stated that Mr W hadn't agreed for either request to be carried out and had asked for the claim to be deleted. It accepted that it had then sent a letter stating that *'due to the lack of co-operation with your claim, your policy cover will no longer continue.'* It also stated that

cancellation meant that this may; *'influence the judgment of an insurer in calculating a premium or deciding whether to cover a particular risk. You must disclose material facts to any current or future insurer or risk having future policies declared void and any settlement on claims being declined.'* It then said that it had instructed solicitors, and also provided details of the address for service of any proceedings by Mr W. In its final response letter it said, *'if you would like to co-operate and for us to reconsider this decision, please contact [a representative] who will be happy to advise you further on this matter.'*

In its case notes, RSA recorded the communication exchanges which took place between early and March 2023 regarding Mr W's claim. The case notes described the damage which had occurred to Mr W's monitor and part of his studio equipment and noted that he considered the total value of the relevant equipment to be approximately £1,100, with the excess amounts on the policy being £200.

The case notes show that shortly after notification of the claim, RSA confirmed to Mr W in writing that it would like to inspect the damaged items and referred to its process for doing so. The following day, the agents attempted to contact Mr W to book collection of the items for inspection. Mr W raised a complaint and said the items were specialist items and he wasn't happy for *'some amateur'* to look at the items. He also raised doubts as to whether RSA's agents; *'would be able to test the equipment to the required spec needed to access its functionality.'* He said that the manufacturer was based in the USA and that there was a confidentiality agreement, and he thought they would suggest a replacement would be the most economical solution. Mr W also stated; *'I am very busy and will need to change work rotas to suit and secondly the damaged items are broken & not fully working, what else is there to it?'* Finally, Mr W also said he didn't feel it secure to hand over the items *'to just anyone'* and felt there was always an argument with any claim and that it was pointless having insurance.

In mid-February, the case notes show that RSA again wrote to Mr W to confirm that the policy's terms and conditions set out the expectation that an inspection would be arranged and that the customer would give RSA any information and assistance required. It asked when its agent could contact Mr W so that collection and inspection could be arranged. The RSA representative stated that she would like to arrange an appointment to discuss the circumstances of the claim as well as the policy. She said that this would be through video interview. She then asked for available dates and times. Mr W replied that if RSA wished to speak to him, then it could be by telephone or formal letter. He said, *'I do not do 'video interview' exactly who do RSA believe they are, some kind of Police force?'*

Following this, Mr W said that he wanted to 'delete' his potential claim. He thought it was more financially feasible for him to do so as he said that time away from his day job was impractical and was currently very busy. Whilst he said he had no problem with the goods being inspected should this be by a qualified person, he said he wouldn't stand by and face extortion by RSA. He considered that it would collect the goods, argue the case without professional inspection to bring down the value of the claim, pay *"a pittance"* and then *"resale the goods for profit"*. Mr W thought that if they'd been other goods or fire damaged, RSA wouldn't be bothered with such inspection. RSA replied that as a claim had been intimate, it considered it appropriate to complete its enquiries. RSA's representative reiterated that she wished to discuss the claim with Mr W and thought it reasonable that this be completed through a video conference or interview.

Having considered all submissions and evidence, I'll now provide the reasoning for not upholding this complaint. The starting point in considering this matter is the insurance contract which sets out what is expected of both parties in the event of a claim.

As to the right to cancel the policy, the policy says: *'We may also cancel your policy if we identify serious grounds for doing so, including but not limited to - failure to provide us with information we've requested that's directly relevant to your cover or any claim...or nuisance or disruptive behaviour. In these circumstances we'd contact you at your last known address and seek to resolve the matter with you. If a solution can't be agreed, we may cancel your policy by giving you 14 days' notice.'*

As to the claims conditions it says: *'After you contact us: We'll arrange for the damage to be inspected by one of our representatives or an independent loss adjuster or other expert whose aim is to help us agree a fair settlement with you'.* It goes on to say, *'you must give us any information or assistance we require.'*

Mr W has quoted the extract from RSA's letter as follows; *"I would like to arrange an appointment with you when we would be able to discuss the circumstances of the claim and the policy in full. This would be a video interview and if you can confirm some dates and times that you would be available, this can then be arranged."* Whilst I agree with Mr W that it's possible that RSA wished to discuss Mr W's complaint, it also specifically refers to the *"circumstances of the claim"* as well as the policy itself. I note that its also possible that RSA wished to discuss cancellation during this video interview.

It is the case that inspection of damaged electrical items is a standard requirement in many insurance policies. In addition, co-operation as to provision of information and assistance by the customer to the insurer is generally required. I'm therefore satisfied that RSA's request for inspection of items in this instance wasn't unfair, unreasonable, or discriminatory. Having studied the case notes, I consider that from the evidence, it appears that Mr W's primary concern was around RSA's requirement to inspect the items which Mr W said had been damaged. Whilst I note the reasons given by Mr W for being reluctant for inspection to proceed, RSA had explained that an inspection would be carried out by experts on its behalf. I don't consider that it was unfair or unreasonable for RSA to insist upon this in accordance with the terms and conditions of a policy, even when Mr W then decided to withdraw his claim, as he was entitled to do. This is because inspection of items was a part of RSA's requirements under the policy contract which the parties entered.

I note that Mr W's complaint was raised after RSA's representative had repeated that inspection was required and wished to arrange a video interview. I appreciate that Mr W has now clearly stated in his complaint to this service that this was due to health needs. Whilst I don't doubt that Mr W had raised these needs in telephone conversations with RSA, his response; *'I do not do 'video interview' exactly who do RSA believe they are, some kind of Police force?'* raised a fundamental objection to the methodology, rather than any objection on the grounds of health to RSA's request. He added; *'I have issued my discontinuance of the claim to you and with that the matter is concluded.'* I consider that it is therefore clear that Mr W was adamant that he would not co-operate with RSA's on-going investigation into the claim, regardless of any surrounding circumstances.

As to Mr W's contention that it was clear that the whole point of RSA discussing his policy was to discuss the complaint and not the claim, I can't agree. The sentence quoted by Mr W above comes after a sentence which again asks for inspection of the items. I consider that the evidence shows that RSA did seek to resolve the matter with Mr W, however his adamant refusal to co-operate over inspection and subsequent video interview indicate that all efforts to discuss the claim and the policy would have been futile and Mr W was simply intent upon pursuing his complaint. I therefore consider that RSA didn't act unfairly or unreasonably in concluding that Mr W had failed to comply with the terms and conditions of the policy in meeting what I consider to be reasonable requests in all the circumstances.

Whilst RSA cancelled the policy after Mr W had withdrawn his claim, I can't say that it acted unfairly or unreasonably in requiring the matter to be looked into and in wishing to discuss the policy in general and to do so via a video interview or meeting, particularly in the absence of clear medical evidence at the time that this would cause health concerns to Mr W. If he had raised these concerns with regard to a video interview, then I would have expected RSA to make any reasonable adjustments to arrangements. However, on balance, I don't see that Mr W raised such concerns.

As to the manner of cancellation, I agree with Mr W that cancellation of a policy can have serious consequences for a consumer and should not be undertaken lightly, as the customer will need to tell future insurers if they've had a policy cancelled which could potentially increase the cost of future insurance. Having said this, insurers are entitled to cancel a policy in certain circumstances, and this includes where there has been a failure to comply with the terms and conditions of a policy. The right to cancel is clearly highlighted in the policy as above. I note that the cancellation letter was sent at the end of February 2023 and provided 14 days' notice of cancellation and I don't consider this to be an unreasonable notice period. I also note that in its final response letter, RSA offered Mr W a subsequent opportunity to co-operate if he wished it to reconsider the matter. There is no evidence that Mr W wished to take up this opportunity.

In summary, RSA have stated the reason for cancellation as Mr W's non-co-operation in the insurance claim which he then withdrew. I've concluded that it was fair and reasonable for RSA to treat this as having constituted a breach of the policy conditions which would have prejudiced its ability to fully investigate the claim in the context of the policy history. In the circumstances I'm satisfied that RSA haven't acted unfairly or unreasonably in cancelling Mr W's home insurance policy.

My final decision

For the reasons given above, I don't intend to uphold Mr W's complaint and I don't require Royal & Sun Alliance Insurance Limited to do any more in response to his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 7 July 2023.

Claire Jones
Ombudsman