

## **The complaint**

Mrs M has complained that a claim she made under a home emergency policy arranged through Insure Group Limited (Insure) was declined because the policy had been cancelled. References to Insure include its agents and representatives.

## **What happened**

Mrs M took out a home emergency policy through Insure on 25 April 2022. Her policy schedule confirmed this as the policy commencement date. When she made a claim for an issue with her front and back doors, Insure said that the policy had been cancelled. Mrs M wasn't aware that the policy had been cancelled.

Insure says that the policy was cancelled on 17 May 2022 because the company providing the credit for the finance for the policy wasn't able to carry out its validation checks as Mrs M hadn't provided any form of the photo ID which it required. It therefore wasn't able to collect any payments of premium from her. Insure says that it attempted to contact Mrs M multiple times to make her aware of this before cancelling the policy. As no payment had been collected from her, no further cover was provided. Mrs M believed that she'd been paying premiums and wanted these returned.

I've listened to a telephone conversation Mrs M had with Insure in which she told its agent that she didn't have any photo ID. She was told that in the absence of photo ID, a utility bill and a letter from HMRC could be provided instead. She'd provided these. She'd then heard nothing more and had assumed that the policy had taken effect.

Insure has said that the policy had been marked for removal as it hadn't been taken up with the finance provider. As Mrs M never made payment for the policy the cover was cancelled. However, as it was not taken up, its system didn't recognize this as a cancellation or issue a cancellation email automatically.

However, despite telling her that her policy had been cancelled, Insure's claims administrators arranged for the doors to be rectified as there was a problem with the central locking system. This job was started, and the old locking system was removed, but when it became apparent that there was no policy in place, the job wasn't completed.

Mrs M was left with doors held closed with a plastic clip which doesn't comply with the security requirements of home insurance, and which leaked. Mrs M was told that she'd need to pay for the doors to be fixed and was quoted £546 for this, which she says was more than the cost of two new doors. Insure said that the claims administrators had been wrong to accept the claim, but that that was the fault of the claims administrators.

Mrs M wasn't satisfied with Insure's rejection of her claim and brought her complaint to this service. Our investigator's view, after taking further guidance, was that Insure didn't follow up with Mrs M the fact that the identification she'd provided, with guidance from Insure, was insufficient. Insure didn't write to her to tell her that her policy couldn't become effective. His view was that Insure should pay Mrs M £100 for inconvenience and also cover the costs of the outstanding work needed to fix her doors for which work had been started but not completed.

In response to our investigator's view, Insure has said that since June 2022 it has sent a letter to customers confirming if a policy has been cancelled if verification checks fail. This suggests that this wasn't its practice before that date. It agreed to pay Mrs M compensation of £100 for the inconvenience of not being told that the policy was cancelled, but it didn't agree to pay the costs of Mrs M's claim as it says it wasn't responsible for the fact that an engineer attended to try to fix Mrs M's doors.

As Insure doesn't agree with our investigator's view, Mrs M's complaint has been referred to me as an ombudsman for a final decision from this service.

### **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.

Having done so, I'm upholding Mrs M's complaint and I'll give my reasons.

I've listened to the telephone conversation that Mrs M had with Insure when taking out her policy. As she opted to pay her premium monthly, she was told that this would be handled by a third-party finance company to whom she would need to apply. She was told that in the event that her application for finance was unsuccessful, Insure would notify her and she'd have to make alternative arrangements for the payment of her premiums. I've not seen any evidence of such notification having been provided to her.

In my view, it was for Insure to make it clear to Mrs M that her policy had not become effective. I'm not satisfied that it did. Mrs M says she didn't receive anything from Insure to inform her. She therefore continued to assume she was covered. Had she been told she wasn't, she could've looked for insurance elsewhere, or arranged for a policy with Insure in her husband's name as he would've been able to provide the required photo ID. So when she needed to make a claim, she wasn't covered and has suffered loss.

The fact that the claim was initially attended and a repair started, although not completed, is further justification for Insure now being responsible for the repair being completed. Mrs M was left with a half-completed job and an insecure home. Mrs M wouldn't have ended up in this position had it been made clear to her from the outset that her policy wasn't effective.

It is my view that, in addition to the £100 compensation it has agreed to pay Mrs M, Insure should pay for the cost of the necessary repair to her doors. This isn't a cost she would've had to pay had she been insured, and she could've been by making alternative arrangements if she'd been told in May 2022 that her policy wasn't effective.

### **My final decision**

For the reasons I've given above, I'm upholding Mrs M's complaint.

I require Insure Group Limited to arrange for the repair to Mrs M's doors to be completed.

I also require it to pay her £100 compensation if this hasn't already been paid to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 19 December 2023.

Nigel Bremner  
**Ombudsman**