

## **The complaint**

Mr W complains that Royal and Sun Alliance Insurance Limited (RSA) continued his policy without his knowledge, as it failed to provide him with any correspondence.

## **What happened**

Mr W held a policy that was administered by RSA between 2002 and 2019. During that time, he contacted RSA to change his address in 2004 and to change his car details in 2006. RSA said that it had no record of Mr W having requested the cancellation of his policy. So, the policy continued, with monthly premiums of around £11.19 being paid by Mr W, until 2019.

Mr W said that he raised a complaint in 2019 as this was the first time that he was aware that he still had cover. He said he wasn't being sent updated policy information or annual benefit statements. And because of this, he had no regular prompt for him to evaluate the policy or to seek its closure.

Mr W wanted RSA to refund all his premiums he had paid (which he said was around £1,000). And well as compound interest on that figure.

In its final response, RSA said that as Mr W had contacted it during the life of the policy and because he would have had an active direct debit coming from his account monthly, he would've known about the policy. In addition, it received no cancellation request from Mr W. It confirmed that it hadn't sent any further policy documents as there hadn't been a change in the policy terms. But it would have issued a payment schedule annually, which would have shown him the monthly premiums and referenced the policy.

RSA further explained that it wouldn't be able to refund the premiums as it continued to provide cover if Mr W ever needed to make a claim. RSA also addressed the issue of dual cover, as Mr W complained that it should have known that it was providing the same cover for two policies.

It said that in line with industry guidelines, where dual cover is proved, insurers look at a three-year period, for which each provider would be responsible for 50% of the cover. It agreed that Mr W had provided some information and calculated a period from 2016, that Mr W had paid £187.50 in premiums. However, to resolve the complaint in a timely manner and to be fair to Mr W, RSA offered a goodwill gesture of £550.

RSA also said that it wouldn't pay any interest as it had provided cover and had communicated with Mr W.

As Mr W remained unhappy with the proposed resolution, he referred a complaint to our service. One of our investigators considered the complaint and didn't think it should be upheld. She said that industry guidelines state that refunds for dual insurance should be made for the last three years. But in cases where policyholders can show they'd been paying for two policies covering the same thing, then we'd think that the insurer should consider a refund for the whole period. She said that the two policies were different and because they

were different, RSA was fair to agree to cover 50% of the premiums paid. She also said that it wasn't reasonable for RSA to pay compound interest, as it hadn't made any errors. Consequently, she couldn't reasonably ask RSA to do anything further.

RSA accepted the view Mr W did not. He said that the policies were the same and as such RSA ought to refund his entire premiums that he paid. So, he asked for a decision from an 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.

Having done so, I won't uphold this complaint, for much the same reasons as our investigator. I understand that this might be a disappointment to Mr W, but I hope my findings go some way in explaining why I've reached this decision.

I've considered all the comments and information provided by both parties. Having carefully considered this, I think the main issue of this complaint is whether it was fair and reasonable for RSA not to refund all the premiums that Mr W paid.

Mr W held a policy from 1998, however, RSA administered the policy from 2002 until 2019. His initial complaint was that RSA had failed to adequately notify him that he was covered. He said that each month he paid a premium of £11.19, which was taken from his bank account via direct debit. He said that he had been dual covered, with RSA being the underwriter of both policies. He said that it was RSA's obligation to have known that he held the same two policies and for this, it ought to refund all premiums paid. As well as compound interest on those premiums. He estimated that the amount that RSA ought to refund him was in the region of £1,000, plus the compound interest.

RSA said that not only did Mr W have an active direct debit coming from his account, but it also sent, on an annual basis, details about the policy he held and the monthly premiums that he was liable for. It said that it hadn't any record of Mr W cancelling the policy. And because of these reasons, and that it had provided cover (if Mr W had ever needed to use it) it wouldn't pay any compound interest or refund the premiums paid in full.

As to the dual cover, it didn't agree that there was any dual cover as the policies were different. But to resolve the complaint, it offered £550, which it said exceeded what were the industry norms, especially as it was aware of the limited information available.

I've reviewed both policies, as it seems that Mr W is complaining that both policies were the same and provided the same exact cover.

The policy that Mr W took out in the mid-2000s, covered an emergency repair service, with a policy limit of £200. The other policy covered for a range of services, such as, emergency accommodation, incidents, repairs, and services, so it was a more comprehensive cover. Also, RSA confirmed that the two policies were different.

And it explained that as the policies were held with different clients, it would not look to cross reference and check these customers. As such, there was no dual insurance identifier for this case. Furthermore, one policy covered, home emergency/breakdown and legal. And the other is home insurance policy with an element of home emergency cover. Therefore, not like for like or comparable products.

In the absence of any further information from Mr W, I'm satisfied that RSA has provided information that confirms that the two policies were distinct and provided separate forms of cover. As Mr W hasn't shown that the cover was the same, I'm unable to direct RSA to refund all the premiums he paid.

I've next considered whether RSA adequately told Mr W about his cover. I think it did, so I will explain why.

At the outset, I should say that It's clear that the monthly premiums were being taken from Mr W's account via direct debit over the life of the policy. I think it's reasonable that Mr W should have noticed the premium being deducted each month. And this alone (given that it happened monthly for around 10 years) should have acted as an indicator of a live policy being in existence. I note that Mr W hasn't provided me with any explanation or information, as to why he wasn't aware of the continued payments being deducted from his account.

I can see from the evidence, that Mr W didn't request a cancellation of the policy. So, as RSA has said, he had cover, if ever he needed to make a claim.

RSA has provided information, that it sent Mr W annual payment schedules, which had reference to the policy he held. It said that none of those payment schedules (or information), were returned as undelivered. And although I accept that there was limited evidence provided by RSA, I do think that it provided enough evidence to support that it had kept in contact with Mr W.

Accordingly, I can't agree that RSA ought to pay a full refund to Mr W. Not only did he have cover in place (if needed) but, he also didn't cancel the policy and allowed premiums to be deducted from his account. I think that RSA has provided sufficient information to show that the policies were different. And I can't see that it made any errors in the handling of the policy. Consequently, it wouldn't be fair or reasonable for it to pay the interest that Mr W would like.

To resolve the complaint, RSA offered £550 by way of a goodwill gesture. Having reviewed the industry guidelines, I can see that under those guidelines, the amount that RSA would be liable for would be considerably lower. Mr W has yet to accept or reject this offer. And as I think it was fair in all the circumstances, I would advise Mr W to contact RSA to arrange for this to be paid, if he wishes. As I won't be asking RSA to increase this further.

I understand that Mr W is likely to be disappointed with the findings. But I don't think it's fair or reasonable that RSA ought to refund the premiums paid in full and the interest, for the reasons I've already outlined. So, I won't be asking RSA to do anything further here.

### **My final decision**

For the reasons given, I won't uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 20 February 2024.

Ayisha Savage  
**Ombudsman**