

## **The complaint**

Mr W complains that esure Insurance Limited, trading as Sheila's Wheels hasn't refunded home insurance premiums he'd continued to pay by direct debit for a number of years after he'd moved out of the insured property.

## **What happened**

In late 2022, Mr W noticed that a monthly direct debit payment was being made to esure from his bank account. He phoned esure and asked what it was for. Esure told him that it was for buildings and contents insurance that had auto-renewed each year since Mr W had taken it out in 2008.

Mr W was confused that the payments were still being taken as he'd moved out of the insured property in 2013. Esure said Mr W hadn't made it aware that he'd changed address. The renewal documents were sent to the property each year by post. It said under the circumstances it could look to refund him 50% of the premium for the last three years. Mr W felt he should be refunded the full premium from the date he'd left the property, so he raised a complaint.

About a week later, esure called Mr W and told him it would provide him with a full refund once it received proof of when he'd sold the property. Mr W sent esure some further information. However, it didn't process the refund, so he asked our service to consider the matter.

Mr W told us that after he'd moved out of the property, he'd rented it out. He said he'd taken out landlords insurance but was only able to provide evidence of this from 2018 onwards.

Our investigator asked esure whether its offer to refund Mr W's premiums extended to him evidencing he had landlords insurance in place. Esure said Mr W hadn't previously made it aware that he still owned the insured property and was renting it out. It said it didn't cover rental properties, so if Mr W could evidence the rental agreement start to end date it would look to provide a refund.

Our investigator thought esure's offer was fair to resolve the matter and Mr W said he was happy to accept it. However, after Mr W sent esure a tenancy agreement, it said it also needed to see evidence of buildings landlords insurance for the period from 2013. It said it did provide cover for buildings insurance for rental properties, but not contents cover. Esure told Mr W that if he could demonstrate he was dual insured for the buildings aspect of the insurance it could look to provide a refund of 50% of the cost of it for a maximum of three years. It said the other insurance company would provide the other 50%.

Our investigator didn't think esure's revised offer was fair. He acknowledged there was no evidence to show that Mr W had cancelled the policy. But he didn't think the dual insurance approach esure had proposed was fair under the circumstances. He wasn't persuaded the esure policy would provide a reasonable level of cover for Mr W as a landlord. He recommended esure refund Mr W in full for each policy year he could show he had landlords insurance in place.

Mr W accepted our investigator's outcome but esure didn't respond. So, the complaint has been passed to me to decide.

### **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've reached broadly the same conclusions as our investigator. I'll explain why.

The documentation I've seen shows that the policy was set to auto-renew with payments taken by direct debit using the payment details Mr W had provided. So, it was up to Mr W to tell esure if he no longer required cover. I haven't seen anything to show that Mr W informed esure that he no longer needed the insurance when he moved out of the insured property in 2013.

Mr W says esure agreed to refund him all of the premiums he'd paid since he'd moved if he provided evidence of when he moved out of the address. So, he provided the title deeds of a property he'd purchased in 2013 and a letter from the council showing he was paying council tax at the new address from 2013 to 2018. However, esure said it needed to see proof of the sale of the house in order to backdate the cover.

I appreciate Mr W feels esure reneged on its agreement to process the refund upon receipt of evidence that he'd moved out of the property. However, I've listened to a recording of his conversation with esure on 8 November 2022, and I'm satisfied he was told to provide proof of the sale of the property. The information Mr W supplied only showed he'd purchased another property and had started to pay council tax for it in 2013. It didn't show that Mr W no longer had an insurable interest in the property esure was providing cover for. So, I don't think it was unreasonable for esure to require further evidence from Mr W before refunding the premiums he'd paid.

After Mr W brought his complaint to our service, he told us that he hadn't sold the property but had rented it out. When we shared this information with esure, it said it would be willing to provide Mr W with a refund if he could evidence the rental agreement start and end date. It said it would provide a refund back to the point the agreement started as he would not have been able to use his cover with esure.

However, esure later changed its position and said Mr W needed to demonstrate he was dual insured and it would only be willing to provide a refund of 50% of the cost of the buildings insurance for a maximum of three years. Esure told us it had previously made a mistake when it said it did not cover rented properties.

The policy booklet esure has provided defines "*unoccupied*" as: "*When Your House is not being lived in by You or any member of Your Household for more than 30 consecutive days.*" And there are a number of exclusions to the policy cover if the property is considered to be unoccupied. So, I don't think esure's policy provided suitable cover to Mr W in his capacity as a landlord.

I also note that the renewal documents contain inaccurate information. On the 2022 policy schedule it says "yes" next to the questions:

- *"Is the property used solely as a private residence with no business use?"*
- *"Is the property occupied permanently and solely by you, members of your family and any joint named policyholder?"*

This means there is also a risk esure might decide that Mr W didn't take reasonable care to provide accurate information at renewal and avoid the policy.

If Mr W was to claim 50% of his premium back from his other insurer as esure has suggested, I think it's likely he would be left without sufficient cover in the event he needed to make a claim. So, I don't think it's appropriate for esure to deal with the matter as dual insurance.

Under the circumstances, I think it would be fair for esure to refund Mr W in full for each policy year he can show the property was covered by landlords insurance.

### **Putting things right**

Esure should refund the premiums Mr W has paid for each policy year he can show the property was covered by landlords insurance.

### **My final decision**

For the reasons I've explained, I uphold Mr W's complaint and direct esure Insurance Limited to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 23 April 2024.

Anne Muscroft  
**Ombudsman**