

The complaint

Ms M has complained about U K Insurance Limited (UKI), which she tried to purchase let property insurance with.

What happened

Ms M called UKI to talk about a quote she'd received previously. She was wanting to go ahead with cover with it for her let property. Whilst speaking to UKI she advised about a previous subsidence event. An offer of cover was made but when Ms M saw the paperwork, which was a week or so before the cover was due to start, she noted there was no reference to the previous subsidence.

When Ms M called UKI to question why the subsidence was not recorded on the policy, it said there had been a mistake. It said it couldn't offer cover where there had been a previous claim for subsidence. Ms M was unhappy and she found a policy through another provider. This took a little while though and the policy was more expensive. She thought UKI should compensate her, including paying for the difference in the cost of cover.

UKI accepted that mistakes had been made. It assured Ms M it was feeding back to its advisor. UKI also apologised and offered Ms M £20 compensation. This was to be sent to Ms M by cheque. Ms M remained unhappy. She complained to the Financial Ombudsman Service.

After Ms M made her complaint to this Service, she received the cheque from UKI for compensation. She wasn't happy with how long this had taken and she noted her name was spelt incorrectly. Ms M's bank did accept the cheque but she felt this, along with the delay in the cheque being provided, was further poor service by UKI.

Our Investigator noted UKI's error and that Ms M had been able to find other cover quite quickly. He also noted the apology and £20 compensation paid. He felt that was fair and reasonable in the circumstances. He wasn't minded to award further compensation for the later issues with the cheque.

Ms M remained unhappy. Her complaint was referred for an Ombudsman's decision.

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.

I can see that this episode with UKI, including receiving its compensation cheque, was frustrating for Ms M. Clearly something went wrong with its processes when Ms M discussed the quote with it, because at least three times during that conversation, the previous subsidence event was discussed. And UKI's internal guide, which sets out in which circumstances it will and won't offer cover, says it won't offer cover when there's been previous subsidence. So quite how UKI came to offering Ms M a policy is unclear.

But, for the purpose of this complaint, I don't need to know exactly how the error came about. Only that it was made. I then have to think about what happened as a result, including how Ms M was affected.

Following the error, Ms M had to find cover through another provider. Another provider who was able to offer cover including for subsidence, even though there had been a previous claim for subsidence. I appreciate that took a few days and that the cover found was more expensive than that which UKI had offered. But UKI isn't responsible for that price difference – that is the price Ms M would always have had to pay if UKI's error had been avoided ie if it had initially correctly told her that it couldn't offer her a policy.

Likewise, if Ms M had known UKI wasn't offering her cover, she'd always have experienced that inconvenience of having to try and find a provider who would. So that upset isn't something I can reasonably blame UKI for.

What UKI's error did mean for Ms M is that she was on the phone with it finalising a quote for longer than she otherwise would have been. And she then had to call it when she discovered its error – that the subsidence hadn't been recorded. She then suffered disappointment when she was told UKI couldn't offer cover.

Further, Ms M wasn't able to arrange a new policy to start when the old ended – so there was a short gap in cover. I understand that Ms M was worried about that – but it seems as though no issue that might have needed claiming for occurred.

So I'm satisfied that Ms M suffered worry and inconvenience due to UKI's failures, but no actual physical loss. With the worry and inconvenient lasting for less than two weeks.

An error like this, causing short term upset is something this Service feels insurers should apologise for and sometimes offer monetary compensation of less than £100. I can see that is what UKI did here. I think that was fair and reasonable. I'm not persuaded to make it pay or do anything more.

As UKI fairly and reasonably settled Ms M's complaint, I'm not going to get into what happened with the cheque that it sent. Sometimes it can be difficult for cheques to be sent correctly to a consumer who is not a direct customer. However, I don't think that how UKI handled the later issue of the cheque is material to the related but previous issue of the erroneous offer of cover. And it is the erroneous offer of cover which is the issue at the heart of this complaint.

My final decision

I don't uphold this complaint. I don't make any award against U K Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 10 September 2024.

Fiona Robinson
Ombudsman