

The complaint

Ms K and Mr M have complained about issues when their home insurance policy came up for renewal with esure Insurance Limited (esure).

As Ms K seemed mainly to deal with the renewal and the complaint, for ease, I will normally only refer to her.

What happened

Ms K had a home insurance policy with esure. When she was sent the renewal quote for the policy, she wasn't happy with the increase in the premium. Ms K later complained to esure. esure didn't reply to the complaint and the policy automatically renewed.

Ms K complained to this Service. Following this, esure replied to Ms K's complaint. It said the renewal premium was correct and explained some of the reasons why the premium had changed. It also said the policy couldn't continue without payment and needed to be paid in full. However, if Ms K wanted to cancel the policy, it would charge a pro-rata price for the time the policy had already been in place and waive the cancellation fee. If Ms K could show she had cover elsewhere, it would backdate the cancellation. It offered £75 compensation for issues with the complaints process.

Following some further contact between esure and Ms K, esure cancelled the policy from the renewal date without Ms K providing proof of alternative cover.

Ms K asked this Service look at her complaint. An Investigator at this Service didn't uphold it. He said there wasn't evidence to show esure treated Ms K differently to other customers. He said the £75 compensation esure offered was reasonable to address the issues with the delays by esure in responding to Ms K.

As Ms K didn't agree she had been fairly treated, the complaint was referred to me.

I issued my provisional decision on 11 July 2024. In my provisional decision, I explained the reasons why I wasn't planning to uphold the complaint. I said:

Ms K wasn't happy with the renewal premium she was offered by esure. It isn't the role of this Service to tell an insurer how much it should charge for a policy. That is a business decision for an insurer to take based on the factors it assesses are relevant, including issues like its view on risk. However, I've looked at whether Ms K was treated in the same way as other esure customers and whether there were any mistakes. I've seen evidence from esure about how it calculated the premium. I'm unable to share this information as it is commercially sensitive. But, based on what I've seen, I'm satisfied that Ms K's premium has been correctly calculated, priced fairly and that she hasn't been treated unfairly. So, I don't think esure needs to do anything further on this.

Ms K was also unhappy about problems with speaking to esure when her policy came up for renewal. She said she told esure she didn't want the policy to renew, but it renewed the policy anyway. So, I've thought about this.

When Ms K received the renewal notice, she spoke to esure about the premium. The call handler asked Ms K if she wanted to switch off the auto renewal on the policy. Ms K said she wanted the auto renewal to remain in place. I'm aware Ms K later tried to contact esure again about the policy, but had problems contacting anyone. About nine days before the policy was due to renew, Ms K emailed esure and said she didn't want the policy to renew.

Ms K had already raised a complaint by this time. Ms K emailed esure's complaints team to stop the renewal. Looking at the renewal notice Ms K had been sent, this explained how to stop the auto-renewal. I'm aware Ms K said she was having problems contacting esure. But, sending an email to the complaints team wasn't one of the methods listed to stop the renewal. I'm also mindful that the Financial Conduct Authority (FCA) says businesses have up to eight weeks to respond to a complaint. So, esure's complaints team didn't need to act on Ms K's email before her policy was due to renew.

I'm aware esure didn't then respond to the complaint within the eight-week period. When it replied to the complaint, its response also didn't seem to show any awareness that Ms K had asked for the policy not to renew. At that time, it said Ms K either needed to pay the full premium or it could cancel the policy without charging a cancellation fee. If Ms K wanted to cancel the policy, unless she provided proof she had cover elsewhere, esure said she would need to pay a pro-rata amount for the period the cover had been in place. However, following some further contact between Ms K and esure, esure cancelled the policy from the renewal date without seeing proof of cover elsewhere.

As part of looking at this complaint, I would have considered whether esure had been fair about the date on which it cancelled the policy. As it has already backdated it to the renewal date, I don't need to consider this any further because that is the earliest date I would have considered.

So, the only other issue is compensation. Clearly this has been a frustrating process for Ms K. I'm aware she has said she had problems contacting esure to cancel the renewal and wasted a lot of time trying to do so. However, I'm also mindful that esure offered to switch off the auto-renewal and Ms K initially said not to do so. Ms K also didn't send her cancellation request via one of the methods specified. However, esure was slow to respond to Ms K's complaint and when it replied it didn't seem to realise Ms K had asked to cancel the policy before it renewed. Having thought about this, I think the £75 esure offered was fair to reflect the impact on Ms K for the issues for which esure was responsible.

As a result, I don't currently intend to uphold this complaint or to require esure to do anything further.

I asked both parties to send me any more information or evidence they wanted me to look at by 8 August 2024.

esure agreed with my decision and confirmed that it had nothing further to add.

Ms K replied and said she disagreed with my decision. She said I was allowing companies not to answer the phone to customers in reasonable amounts of time. She said customers' time trying to speak to companies was valuable and esure had wasted quite a bit of it on this occasion. The time she had spent on hold was worth more than £75, even if calculated at basic wage levels.

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 don't uphold this complaint and for the reasons given in my provisional decision. As part of making my final decision, I've thought about Ms K's comments, but these don't change my view about a fair and reasonable outcome to this complaint.

My decision is based on what happened in this individual complaint. It isn't expressing a view on other companies, including how long they might take to answer phone calls. I looked in detail at what happened, including what esure was responsible for and how this affected Ms K.

When I thought about compensation, I didn't do this based on an hourly wage and it isn't the normal approach of this Service to do so. Instead, I looked at the overall impact on Ms K. Having thought about this again, I remain of the view that the £75 compensation offered by esure was reasonable in the circumstances.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K and Mr M to accept or reject my decision before 6 September 2024.

Louise O'Sullivan
Ombudsman