

The complaint

Mr and Mrs P have complained about the way Saga Services Limited administered their home insurance policy.

What happened

- Mr and Mrs P took out a home insurance policy through Saga, an independent intermediary, in 2022. It included buildings cover, provided by insurer A. And contents cover, provided by insurer B. Both of these sections of cover were subject to a '3 year fixed price' agreement and the total premium charged was around £180.
- In 2023, Saga invited Mr and Mrs P to renew the policy. The buildings cover would still be provided by insurer A and the contents cover would be provided by insurer C. The total premium increased to around £850.
- Mr P didn't renew the policy. He complained to Saga about the increase, as he was expecting the fixed price agreement to mean the premium didn't change. He also said Saga had failed to answer an email and told him he owed nearly £80.
- Saga said the policy documents set out various circumstances in which the fixed price agreement would be broken. One of which is if Mr and Mrs P made a claim for accidental damage – which they had done. Saga said it hadn't received the email but nonetheless apologised. And it thought it had correctly charged £80, as the policy had automatically renewed in 2023, but it offered to waive the charges if Mr P showed he'd taken out cover elsewhere.
- During our investigation, Saga waived the near £80 charge after Mr S provided evidence he had alternative cover. Our investigator thought Saga had acted fairly. Mr and Mrs P disagreed, so the complaint has been passed to me.

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.

- This complaint is solely about Saga and the things it's responsible for. It isn't against any of the insurers – A, B, or C – or any of things they're responsible for. Mr and Mrs P are entitled to make separate complaints about any of the insurers if they wish.
- There are three main complaint points: breaking the fixed price agreement, not responding to an email, and the near £80 charge. I'm satisfied Saga has acted fairly and reasonably in relation to each one and will explain why.

Breaking the fixed price agreement

- This is an agreement set by Saga, not the insurers. So Saga is responsible for it. When selling a policy, Saga is required, amongst other things, to provide information

which is clear, fair and not misleading so that Mr and Mrs P can make an informed decision about whether the policy is right for them. That includes relevant information about the premium.

- In 2022, Saga told Mr and Mrs P the premiums for the buildings and contents sections of cover were subject to a '3 year fixed price' agreement.
- The front page of the policy schedule said that agreement meant the premium would remain the same for the next two renewals – as long as nothing changes. Further down the document, it set out the terms and conditions of the agreement in more detail. Relevant to this complaint, it said the price may change if Mr and Mrs P made a claim for accidental damage.
- It's not in dispute that Mr and Mrs P made an accidental damage claim. As a result, the agreement was broken, and Saga didn't maintain the price at the 2023 renewal.
- I'm satisfied Saga set out the terms and conditions of the agreement clearly and prominently, including highlighting from the outset a key point – that if something changed, the price may also change. And it only broke the agreement because of the claim that was made, in line with the terms and conditions.
- In these circumstances, I'm satisfied Saga treated Mr and Mrs P fairly in relation to the fixed price agreement – and was entitled to break it.

Unanswered email

- I haven't seen evidence that the original email was sent to Saga – only the follow up email, which Saga responded to. So I can't be sure Saga received the email.
- But, even if the original was sent to Saga, so it ought to have responded but didn't, I note it's apologised for any inconvenience caused. And I consider that would be a reasonable response in the circumstances.

Near £80 charge

- Mr and Mrs P didn't want to renew the policy in 2023, due to the price increase. That was a choice they were entitled to make. So they weren't expecting to be told they owed Saga money after the renewal date.
- The policy automatically renewed in 2023 because Saga said Mr and Mrs P didn't get in touch to stop that process. When payment requests were unsuccessful, Saga contacted them and, ultimately, went on to cancel the policy. Time on cover and a cancellation fee led to the near £80 charge. Saga offered to waive the charge if Mr and Mrs P showed they'd taken out cover elsewhere – and that's what happened during our investigation, so the charge has been waived.
- I'm satisfied the 2023 policy schedule clearly and prominently highlighted that the policy would automatically renew unless Mr and Mrs P got in touch prior to the renewal. I think that made them reasonably aware of what to do if they didn't want to renew the policy. As they didn't do so, Saga was entitled to charge what it did. But I think it acted fairly and reasonably by waiving it when Mr and Mrs P provided evidence of alternative cover. So I won't require it to do anything further.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 5 November 2024.

James Neville
Ombudsman