

The complaint

Mr F complains about the way Uinsure Limited renewed his buildings insurance policy without notice and charged him significantly higher premiums.

What happened

The background to this complaint is well known to the parties so I've included a summary here.

- For a number of years, Mr F had a buildings insurance policy taken out through Uinsure. The policy was set to auto renew each year. In the 2023 renewal year, Mr F says he didn't receive any renewal notification informing him of the new premium before the policy renewed so he was unaware the premiums had increased. When checking his bank account sometime later, he noticed the premium had risen from £25.49 to £104.50 per month.
- Unhappy with this, he complained to Uinsure. It issued a final response and said it had sent renewal documentation based on the most competitive quote it had found and as it didn't hear from Mr F, it went ahead and renewed the policy. It didn't think it had done anything wrong.
- Mr F brought his complaint to this Service. Our Investigator upheld the complaint and said she thought if Mr F had received the documentation, he wouldn't have renewed the policy as he been able to find cheaper cover elsewhere. She directed Uinsure to refund the premiums Mr F had paid since April 2023 and pay him £100 for the distress and inconvenience. Mr F accepted this outcome but Uinsure didn't respond.
- I subsequently let the parties know I planned to say the complaint should be settled in a slightly different way, with Uinsure refunding Mr F the cost of the increased premiums less the monthly cost of the alternative cover he obtained.
- Mr F accepted the outcome but Uinsure didn't respond so the case has come to me for a final 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.

As our Investigator explained, this Service asked Uinsure to provide its version of events and supporting evidence on 28 June 2024, 20 August 2024 and on 6 September 2024. I'm satisfied it has been given ample time to provide the information but has failed to do so. In line with DISP 3.5.9R (3) and DISP 3.5.14R, I will proceed with my decision based on the evidence I have received.

- Mr F says he didn't receive any renewal documentation and if he had received it, he wouldn't have proceeded with renewal due to the significant increase in premiums from £25.49 to £104.50 per month.
- Uinsure says it posted the documentation to Mr F in February 2023 but it hasn't provided any proof of this despite our requests for information to substantiate its position. In the absence of this information, I've not seen enough to persuade me Uinsure did send this documentation to Mr F in time to allow him to make an informed decision before renewal.
- In his testimony, Mr F said he was able to find alternative cover with another insurer for £37.14 per month. I'm persuaded this supports Mr F's testimony that he wouldn't have renewed the policy if he had received the documentation.
- I will therefore be directing Uinsure to refund the difference between the higher premium Mr F paid each month (£104.50) following renewal, less the monthly cost of the alternative cover he took out (£37.14) for each of the months following renewal until he cancelled the policy. I acknowledge this calculation may not be entirely accurate due to possible differences in the cover under the new policy, but I'm satisfied it's a fair and pragmatic way to settle this complaint.
- On top of this, Uinsure should pay interest at 8% per annum simple on the amount of the refund from the days Mr F paid the higher premiums to the date it makes the refund.
- It's clear from Mr F's submissions that he found dealing with this issue and the calls he had to make to try to resolve it, inconvenient and stressful. He's highlighted he's had to take time out of work to sort things out. Uinsure should pay Mr F £100 in recognition of this.

My final decision

My final decision is that I uphold this complaint and direct Uinsure Limited to:

- Refund Mr F the increased premiums he paid following the 2023 renewal less the monthly cost of the alternative cover he obtained, in line with what I said above, together with interest at 8% simple per annum* on the amount refunded from the dates Mr F paid the higher premiums to the date it makes the refund.
- Pay Mr F £100 for the distress and inconvenience it caused him.

Uinsure Limited must pay the compensation within 28 days of the date on which we tell it Mr F accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

*If Uinsure Limited considers that it's required by HM Revenue and customs to deduct income tax from that interest, it should tell Mr F how much it's taken off. It should also give Mr F a tax deduction certificate if he asks for one so he can reclaim the tax from HM Revenue and customs if appropriate

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

Paul Phillips
Ombudsman