

The complaint

Mr and Mrs C complain that Utility Warehouse Limited did not renew a home emergency insurance policy.

What happened

Mr and Mrs C had their home energy supplied by Utility Warehouse and took out a home emergency policy alongside this. During 2023 they had correspondence with Utility Warehouse as they were in dispute about the amount outstanding on their energy plan.

In January 2024 Mr and Mrs C called to make a claim on their home emergency cover but were told the policy was no longer in force. Utility Warehouse said the policy had not been renewed because of the arrears on their energy account.

Mr and Mrs C complained, saying they had never been told the cover was no longer in force and it was unfair that they had been left without cover. In its final response to the complaint, Utility Warehouse said its policy terms require that, for the insurance to be provided, the account must be in good order and they were in arrears; and an email had been set advising that the policy would not be renewed.

When Mr and Mrs C referred the complaint to this Service, our investigator said it was fair not to renew the policy, as there was an outstanding balance on the account.

Mr and Mrs C disagree and have requested an ombudsman's decision. Amongst other things, they say:

- The account only had an outstanding balance because Utility Warehouse had applied the wrong tariff. This was confirmed after they complained to the Energy Ombudsman, who said the payment arrangement had not been set at the right level for the amount of usage. The amount owed was in dispute, so this should not have been used as a reason not to renew the insurance.
- An email may have been sent to them in May 2023 saying the policy would not be renewed, but they didn't receive it.

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.

An insurer underwrites the insurance but Utility Warehouse arranges the policy and deals with renewals. So it could decide whether to offer the insurance. At each renewal, a new contract is entered into. Utility Warehouse can decide whether to offer renewal and if so, on what terms. It's not for me to say whether a firm should offer a policy, but I can consider whether it has acted fairly.

Utility Warehouse decided not to offer renewal because of arrears on Mr and Mrs C's account. The insurance is only available to existing Utility Warehouse customers and the

insurance payments are added to the existing monthly bill. So it's all part of the same account. The policy terms say there is no guarantee the policy will be renewed, and this may not be offered where there's a valid reason, including where premiums have not been paid.

I note the policy terms refer to the insurer but it's Utility Warehouse that arranges the insurance and deals with the renewal, and it has dealt with this throughout, so I've considered it on that basis.

There was a balance outstanding on the account. This relates to their energy account, but the insurance is added to the existing energy account and dealt with together. So it's all on one account.

Mr and Mrs C say it's not their fault there was a balance because their tariff had not been charged correctly. I appreciate they were in dispute about that, but it meant there were arrears and they were arranging a payment plan to pay that off. As I understand it, there had been an error by Utility Warehouse relating to the tariff. Following the referral to the Energy Ombudsman, Utility Warehouse did make some credits to their account of around £400. But there was still an outstanding balance.

I appreciate Mr and Mrs C say they didn't receive the email saying the policy would not be renewed. Utility Warehouse has shown that it was sent to the correct email address. I can't say why it wasn't received, but I'm satisfied it was sent and so Utility Warehouse was not at fault here; it did notify them the policy would not be renewed.

Where a policy is renewed, there would be correspondence before that confirming the terms of the renewal and confirmation once it has been renewed, with updated policy documents. If Mr and Mrs C were expecting the policy to continue, but didn't receive any renewal offer or any confirmation of renewal, they could have contacted Utility Warehouse to ask about this.

I appreciate it was upsetting for Mr and Mrs C to find they couldn't claim on their policy but, in the circumstances, I think it was fair for Utility Warehouse to decide not to offer a renewal.

My final decision

My decision is that I don't uphold the complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 6 December 2024.

Peter Whiteley
Ombudsman