

The complaint

Mr C complains about Saga Services Limited trading as Saga handling of the renewal of his contents insurance policy.

What happened

The details of this complaint are well known to both parties, so I won't repeat them here in any detail. Instead, I'll focus on the reasons for my decision.

In May 2024 Mr C contacted Saga as he wanted to increase his level of contents cover. To his dismay he found out that his contents had not been insured since 2021. In addition, Saga said they couldn't offer a new quote.

Saga have accepted that a system fault occurred which meant the automatic renewal that should've occurred, didn't. It sent Mr C a £50 cheque to recognise the error and said had Mr C had to have made a claim in this period it would've reviewed the situation accordingly.

With regards to the new quote, Saga has said as the level of cover Mr C required was above the level its underwriters would offer so, it couldn't provide a quote and it had no influence over the underwriter's decision.

Mr C has indicated to this Service the part of the complaint he remains unhappy with is that the policy wasn't renewed and that left him uninsured since 2021.

An Investigator considered Mr C's complaint but didn't think Saga needed to do anything more. Mr C didn't accept the Investigators view – he felt Saga should be fined £500 and the amount given to charity.

So, the complaint has been passed to me, an Ombudsman, to make 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.

I recognise I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every single point made by the parties involved. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. If there's something I've not mentioned, it isn't because I've ignored it. I've given careful consideration to all the submissions made before arriving at my decision and I'm satisfied I don't need to speak to either party or comment on every individual argument to be able to reach what I consider to be a fair outcome. Our rules allow me to do this, and it reflects the informal nature of our service as a free alternative to the courts.

Having done so, I'm satisfied the Investigator reached a fair outcome and I consider they set out the reasons for this thoroughly. So, I don't uphold Mr C's complaint in this matter. And I will add the following comments.

Firstly, I acknowledge Mr C has strong views about what happened and understand it would've come as quite a shock to find out that his contents within his home had not been insured since 2021. I can empathise with the depth of his feeling and that he feels Saga should be fined £500 and the amount given to charity.

However, this Service isn't the regulator, which is the role of the Financial Conduct Authority (FCA). So, we can't fine or punish businesses for any mistakes made – and any awards we make aren't intended to be punitive in nature. What we'll instead consider is how a business' mistake has impacted a consumer, financially or otherwise, and recommend a way in which the business can put things right.

There is no dispute that an error occurred. So, in a matter like this, I have to consider the impact the mistake has had on Mr C and as I mentioned above, I can understand that hearing he hadn't had cover for his contents I have no doubt would have come as a bit of a shock and understandably I am sure Mr C also considered but what if he had to have made a claim in this period.

I was pleased to see that Mr C, thanks to a friend, was able to find alternative cover quickly after finding out what had happened, and that Saga would not offer cover going forward. So, although shocking to find out he had no cover Mr C didn't suffer prolonged distress and inconvenience as he wasn't aware prior to the call to Saga in May 2024 and therefore I feel the compensation Saga has offered is fair in the circumstances.

Thankfully, Mr C didn't need to make a claim in this period and if he had I would've expected Saga to have considered it if the loss was entirely down to the mistake it made. So, although I appreciate that the mistake could've potentially had severe consequences that isn't what happened in this case, and I can't award compensation for what might've happened. So, I appreciate this will be a disappointment to Mr C, but I won't be instructing Saga to do anything further. I understand Mr C destroyed the £50 cheque, if he would like this reissued then he will need to contact Saga directly and I would expect it to cancel the previous cheque and reissue it to Mr C.

My final decision

For the reasons given above, I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 9 January 2025.

Angela Casey
Ombudsman