

The complaint

Mr and Mrs R complain U K Insurance Limited didn't provide reasonable notice their property insurance wouldn't be renewing.

What happened

Mr and Mrs R live outside the United Kingdom. They rent out a property in the UK. In 2018 they insured it with a UKI property owners policy. It renewed on 29 September each year. They received renewal documents by their preferred method of contact – email.

But on 29 September 2024 Mr and Mrs R realised they hadn't received any renewal documents from UKI. They tried checking their UKI online account but were unable to access it. On 30 September 2024 they phoned UKI. UKI explained they hadn't been offered a renewal. It said it had sent them a letter about the issue. Mr and Mrs R didn't receive it until 8 October 2024.

Mr and Mrs R were very frustrated at not being informed in advance, by email, that they wouldn't be offered a renewal. They were concerned about their property being uninsured. They raised a complaint with UKI. Later during 30 September 2024 they arranged cover with an alternative provider.

UKI issued a complaint response. It explained it stopped offering property owners insurance from September 2024. That meant Mr and Mrs R's policy couldn't renew when it expired in that month. UKI apologised for any inconvenience this had caused. It said as the change affected many of its customers it decided to issue letters in the same format to all. It said it does take a contact preference for renewals but can contact customers by other means.

Unsatisfied with UKI's response Mr and Mrs R referred their complaint to the Financial Ombudsman Service. They explained they had to unexpectedly spend five hours finding insurance to make sure their property was covered. They said they were worried it was burning down at the same time. They are appalled their communication preference was ignored by UKI. To resolve their complaint they would like UKI to pay them £1,000 compensation – in recognition of the time spent arranging new cover and the unnecessary distress they experienced.

After the referral UKI offered Mr and Mrs R £250 compensation to settle their complaint. They rejected that as an inadequate offer. Our Investigator, having considered the complaint felt it was fair and reasonable. She noted Mr and Mrs R hadn't suffered a financial loss and experienced only short-term distress and inconvenience. So she didn't recommend it offer any additional compensation or do anything differently. Mr and Mrs R didn't accept that, so the complaint was passed to me to decide.

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 this is an informal service I'm not going to respond here to every point or piece of evidence Mr and Mrs R and UKI have provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

Having done so, I'm satisfied £250 is enough to recognise any distress and inconvenience experienced by Mr and Mrs R. So I'm not going to require UKI to offer any additional compensation.

Mr and Mrs R experienced a short gap in cover. They have said the property could have burnt down in that time. Fortunately it didn't. Neither did it, as far as I'm aware, experience any other damage or loss during the gap in cover. So Mr and Mrs R didn't suffer a financial loss.

Five hours was spent finding alternative cover. I accept Mr and Mrs R had to do this unexpectedly and swiftly. It no doubt would have been preferable to have had advance notice, allowing them to have undertaken the task at a more leisurely pace. But as UKI didn't offer a renewal they would always, regardless of its method of communication, have had to commit that time to finding a new insurer.

Mr and Mrs R did experience a relatively short period where their property was uninsured. This would understandably cause concern and worry about the potential consequences. But they quite reasonably acted quickly to secure new cover. So the period for a potential uninsured loss was short lived. Overall, I'm satisfied UKI's offered enough to make up for the impact on Mr and Mrs R of any poor service it provided.

My final decision

For the reasons given above, U K Insurance Limited needs to pay Mr and Mrs R £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R and Mr R to accept or reject my decision before 24 January 2025.

Daniel Martin
Ombudsman