

The complaint

Mr B and Mrs B complain about Brightside Insurance Services Limited (“BISL”) and the way their home insurance premium renewal, and cancellation, was handled.

Mr B has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any comments made, or actions taken, by either Mr B or Mrs B as “Mr B” where appropriate throughout the decision.

What happened

The claim and complaint circumstances are well known to both parties. So, I don’t intend to list them chronologically in detail. But to summarise, Mr B and Mrs B took out their home insurance policy through BISL, acting in their role as a broker, for several years. This policy was due to renew in September 2023, but their original policy underwriter had left the market and so, BISL needed to place the policy with another insurer.

BISL attempted to contact Mr B and Mrs B for further information to aide this process without success. So, the policy auto renewed with a new underwriter, based on the information BISL held. But the credit provider, who I’ll refer to as “C”, cancelled the direct debit agreement shortly after. And BISL made Mr B aware of this in February 2024, requesting that full payment of the premium be made in order for the policy to continue. Mr B opted against making this payment and so, BISL requested Mr B pay for the time spent on cover up to that point. Mr B was unhappy about this, so he raised a complaint.

Mr B was unhappy with the policy premium, which had increased significantly from the previous year. He didn’t think he or Mrs B had been made reasonably aware of this increase and he didn’t think it was fair for BISL to expect him to make a payment for the time he was on cover, when he’d found an alternative annual policy for a similar price. So, he wanted BISL to refund him the payment he’d since made, and to be compensated for the impact BISL’s service failures had caused.

BISL offered to waive their cancellation and lost commission charges, totalling £98.52. But they felt the remaining payment, for time on cover, was fair to ask Mr B to pay. And after our service received Mr B’s complaint, BISL offered to pay a further £50 in compensation. Mr B rejected this offer, so our service continued to investigate.

Our investigator looked into the complaint and upheld it. They recommended BISL increase their compensatory offer to £100. And they recommended BISL pay Mr B a further £175, to recognise the monthly difference in price of the policy BISL put in place, compared to the

new policy Mr B had purchased, as they thought Mr B would’ve likely chosen not to take out the policy had BISL made him and Mrs B reasonably aware of the increase premium.

Mr B accepted this recommendation. But BISL didn’t. While they accepted the increase in compensation to £100, they didn’t think it was fair to ask them to cover the difference in policy price, as they thought Mr B and Mrs B were made reasonably aware that the policy would auto-renew and that the documentation was supplied to them in the same way to

previous years. As BISL didn't agree, the complaint has been passed to me for a decision.

I issued a provisional decision on 7 January 2025, where I explained my intention to uphold the complaint but with a different award to that recommended by our investigator. In that decision I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, it's my intention to uphold the complaint but not for all the same reasons as the investigator. And so, what I intend to direct BISL to do also differs. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

I note that BISL accepted our investigators recommendation to increase the offer of compensation to £100. And this acceptance came with BISL's agreement that they should have sent Mrs B the policy documents by post as agreed, and that their agent could've asked Mrs B for the answers they needed when she called them in September 2023.

I also note that in BISL's complaint response, they offered to reduce the amount payable by £98.52 to recognise the time it took for them to make Mr B and Mrs B aware their direct debit had been cancelled by C. So, as BISL have accepted all the above, I think it's reasonable for me to assume these issues are no longer in dispute and I don't intend to discuss their merits in further detail. Instead, I've focused on what I think does remain in dispute, which centres around what I think BISL should reasonably do to put things right.

Putting things right

When thinking about what BISL should do to put things right, any award or direction I make is intended to place Mr B and Mrs B back in the position they would've been in, had BISL acted fairly in the first place.

In this situation, had BISL acted fairly, I think it's clear they would've honoured Mrs B's request and ensured the policy documents were sent to her by post. And that in the same call this was agreed, they could've obtained the answers they needed to ensure the quote they obtained for Mr B and Mrs B was as competitive as it could be.

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I also think it's accepted that had BISL acted fairly, they would've let Mr B and Mrs B know sooner that their direct debit had been cancelled. And that if they had, Mr B and Mrs B would've become aware of the increased premium sooner, which would've most likely led to an earlier decision for them to cancel the policy. So, I do agree that compensation should be paid for the above.

But crucially, I don't think this means BISL should pay Mr B and Mrs B the difference between the policy they arranged, and the new policy Mr B has since put in place. And I'll explain why.

Having reviewed BISL's system notes, and emails they sent to Mr B and Mrs B, I think it's clear they made reasonable attempts to contact Mr B and Mrs B before the policy auto renewed. I can see several e-mails were sent to an email address Mr B confirmed was Mrs B's when he updated it to his own. And on top of this, they made two phone calls and sent several text messages. So, I think it was made reasonably clear to Mr B and Mrs B that BISL needed to speak with them.

I'm also satisfied this contact was most likely received, and understood, as I've seen system notes that show Mrs B called BISL, on the day before the policy was due to auto-renew, where the renewal and monthly payments were discussed. On the balance of probability, considering this contact came after BISL's chasers, I think it's reasonable for me to assume this contact arose from the actions BISL took. While this call is unavailable for me to listen to, I think it's reasonable to assume renewal would've been discussed as this was imminent. And I would've expected Mrs B to query the cost of this renewal at the time, which the notes suggest was the case.

So, while I accept BISL should've obtained the information they needed from Mrs B on this call, and that the policy documents should've been sent by post, I don't think I'm able to say Mr B and Mrs B had no knowledge that the policy would auto-renew. And I think they had a responsibility to understand what the cost of this would be, if they didn't already. And they had an opportunity to ensure this was understood, before the policy was put in place.

And while BISL didn't send the documents by post, I think Mrs B would've been expecting these and, when they weren't received, I would've expected Mrs B or Mr B to either chase BISL or look for them on the portal, which I note is the same way BISL issued the renewal documents in previous years.

Because of this, I don't think it was BISL's sole error that led to the policy renewing at a higher premium without Mr B and Mrs B being reasonably aware. Instead, I think Mr B and Mrs B could also have done more to mitigate their situation.

So, because of this, and the fact Mr B and Mrs B received the benefit of the policy during the time between its inception and the cancellation, I think BISL were fair to ask Mr B and Mrs B to make payment for this time on cover. And I think BISL have fairly addressed the delays in Mr B and Mrs B being made aware of the direct debit issue by waiving their charges, which provided a financial benefit of £98.52 and so, should be considered as financial compensation. So, I don't intend to direct BISL to make the payment of £175 that our investigator recommended for this point.

But as I explained earlier within this decision, I do think additional compensation should be paid to recognise service failures that resulted from the call in September 2023. Our investigator recommended BISL pay £100 to recognise this, which I note BISL has accepted. And having considered this recommendation, I think it's a fair one that falls in line with our services approach and what I would've directed, had it not already been put forward.

I think it fairly compensates Mr B and Mrs B for the impact not receiving the postal documentation caused and their loss of opportunity to provide BISL with the information BISL wanted to ensure the policy had been considered by all the underwriters on their panel.

But I think it also fairly considers the fact that Mr B and Mrs B's policy documents were available on their portal, which is the same way previous years' policy documentation had been sent to Mrs B and Mr B without any issues being raised. And, that there is no way of knowing for certain that Mr B and Mrs B would've been able to provide information that would've reduced the premium BISL charged alongside my opinion that BISL made Mr B and Mrs B reasonably aware of the need for this well in advance of the renewal date. So,

this is a payment I intend to direct BISL to make.

I understand this is unlikely to be the outcome Mr B and Mrs B were hoping for. And I recognise it will come as a disappointment, especially as it comes after a different recommendation already made by our service. But I think it is a fair one, for all the reasons I've set out above."

Responses

Neither BISL, nor Mr B and Mrs B, responded to my provisional decision. So, I must assume that both parties have no further comments to provide, and that they don't accept the direction I put forward.

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.

Having done so, I see no reason to change my initial conclusion. For all the reasons already stated above, I'm satisfied BISL acted unfairly, and I am directing them to pay Mr B and Mrs B a total of £100 compensation to recognise their service failures, and the impact these caused, that haven't already been adequately addressed.

My final decision

For the reasons outlined above, I uphold Mr B and Mrs B's complaint about Brightside Insurance Services Ltd and I direct them to take the following action:

- Pay Mr B and Mrs B a total of £100 compensation.

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

Josh Haskey
Ombudsman