

The complaint

Mr R complains Royal & Sun Alliance Insurance Limited (RSA) removed the contents section of his home insurance policy unfairly.

What happened

Mr R held a buildings and contents insurance policy through his bank that was underwritten by RSA. In August 2024 Mr R contacted RSA to add a recently purchased watch to the policy. But RSA explained the value of the watch and the level of cover Mr R required to insure it, along with the value of the rest of his contents was above its risk threshold and could no longer offer him contents cover. It therefore gave Mr R 14 days to find suitable cover elsewhere before it removed the contents cover from the policy.

Mr R and RSA discussed several options to determine whether it could continue to offer contents cover. But either these weren't accepted by RSA or not practical to Mr R. So, RSA maintained its position to remove the contents section of cover from the policy. Mr R was able to obtain suitable cover elsewhere and cancelled the policy. But given the number of items he wanted to insure, he said arranging suitable cover elsewhere took longer than the 14 days RSA provided, and it caused some inconvenience. As Mr R remained unhappy with RSA's actions he referred a complaint to this Service.

Our Investigator considered the complaint but didn't think it should be upheld. He was satisfied RSA had acted fairly and reasonably in the circumstances of things. Mr R rejected our Investigator's findings and asked for an Ombudsman to consider the complaint.

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 want to explain I won't be repeating the entirety of the complaint history here or commenting on every point raised, as the same is already well known to both sides. Instead, I've focussed on what I consider to be the key points I need to think about in order to reach a fair and reasonable conclusion.

I don't mean any discourtesy by this; it simply reflects the informal nature of this Service and our key function – which is to resolve disputes quickly, and with minimum formality, on the basis of what I believe is fair and reasonable in the overall circumstances of the complaint. However, I assure both parties I've read and considered everything provided as part of this complaint.

It's important to note insurers will assess and treat risk differently. And there can be differing factors and reasons for each insurer's decision. This is a legitimate exercise of its commercial discretion and not something we can consider. However, I can consider whether RSA applied its underwriting criteria fairly.

RSA explained that due to the value of the watch Mr R purchased, it meant the total value of the contents in his home exceeded its risk threshold. And it provided underwriting evidence to support its position. This is commercially sensitive information and not something we can share with Mr R. However, I've carefully considered this, and I'm satisfied the combined total for valuables, including personal possessions cover exceeds the limits RSA is willing to cover.

I'm aware Mr R proposed a number of suggestions to RSA so he could remain on cover, such as storing the watch in another property he owns or insuring it separately. But RSA is entitled to carry out a risk assessment and decide whether it's willing to continue to cover the risk where it's fundamentally changed, which in this case I think it has. So, as RSA was aware of the new watch and its value, I don't think it was unreasonable for it to consider it as part of its overall assessment of the risk Mr R posed. And as the risk exceeded its threshold, I don't think RSA acted unreasonably when it declined to offer contents cover or accept one of these proposals.

RSA told Mr R if he agrees to store the watch in a secure facility like a bank safe, it would be willing to reconsider its position. Mr R explained that wasn't a practical solution. While I accept his feelings on the matter, I don't think RSA's suggestion in and of itself, is an unreasonable one. I think it was trying to put forward solutions for Mr R to remain on cover, which I think was the right thing to do.

I recognise the circumstances of this complaint are frustrating to Mr R as he was informed he'd no longer have contents cover for his home. And I appreciate why this would be an inconvenient time for him to arrange alternative cover given he'd held the policy through his bank for so long, as well as the number of high value possessions he owns. But as I've seen RSA's underwriting criteria showing the total value of the contents Mr R owns exceeds its risk threshold, I don't think its decision to remove the contents cover was unreasonable. And I'm satisfied RSA acted fairly and it treated Mr R as it would other customers with similar circumstances, I don't require it to take any further action.

Mr R says he had to revalue some of his possessions before he was able to arrange alternative cover. And the 14-day cancellation period RSA gave him wasn't sufficient. While I acknowledge his feelings on the matter, the policy terms do allow RSA to cancel the policy giving 14 days' notice, which is what it did. So, I'm satisfied RSA acted in line with the policy terms. As such, I'm not directing RSA to take any further action.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 15 May 2025.

Adam Travers
Ombudsman