

## **The complaint**

Mr and Mrs I complain that they didn't receive the service they expected from Saga Services Limited (Saga) when they made a claim under their home insurance.

The insurance policy is in joint names with Mr and Mrs I as joint policyholders. Although I recognise Mrs I has been corresponding throughout, I'll refer to both Mr and Mrs I, as the joint policyholders, in my final decision.

## **What happened**

Mr and Mrs I have a home insurance policy taken out (and renewed) via Saga, acting as an intermediary/broker. The policy is underwritten by an insurer, who is a separate regulated financial business to Saga. The policy also has additional add-ons, including home emergency and legal expenses, underwritten by different insurers.

In May 2024 Mr and Mrs I made a claim for damage caused by an escape of water at their home. This was handled by the insurer of their policy. Mr and Mrs I raised complaints about the insurer's handling of the claim, and the complaint about the insurer was also later referred to and considered by the Financial Ombudsman Service.

Mr and Mrs I are also unhappy with Saga. They say Saga didn't provide the service they expected when they were in a claim situation. They said Saga advertises themselves as a provider of five-star service, and they expected Saga to show them a duty of care, but they didn't act on Mr and Mrs I's behalf during the claim, didn't check in with them regularly or provide any support or guidance.

Saga issued a final response to Mr and Mrs I's complaint. In this, they said that the insurer was responsible for handling the claim and they were unable to comment on it. They also explained their role, as an intermediary, was in relation to selling and renewing the policy.

As Mr and Mrs I remained unhappy, they approached the Financial Ombudsman Service.

One of our investigators looked into things but she didn't uphold the complaint. She thought Saga had acted reasonably in their role as an intermediary.

Mr and Mrs I didn't agree and asked for a final decision from an ombudsman.

## 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, whilst I appreciate it'll come as a disappointment to Mr and Mrs I, I've reached the same overall outcome as our investigator.

My consideration here is limited to Saga. They are the intermediary who was responsible for arranging the insurance policy with the insurer. The insurer is responsible for handling the claim, and anything that Mr and Mrs I are unhappy with that occurred during the claim itself. And as noted, Mr and Mrs I have already brought a separate complaint to this service about the insurer.

Mr and Mrs I have raised numerous concerns and complaint points about Saga. However, I don't intend on addressing or commenting on every point or concern raised. Instead, I'll focus on the points I consider key when reaching my final decision. I don't mean this as a discourtesy to either party, instead it reflects the informal nature of this service and my role in it. However, I'd like to reassure both parties that I've considered all the information they've provided when reaching my final decision.

Mr and Mrs I are unhappy that Saga didn't provide the service they expected when making a claim. They've said that Saga owed them a duty of care to help them with the claim, and they expected Saga to represent them and their best interests, provide support, guidance, regularly check with them how the claim was progressing and show an interest, but instead, they abandoned Mr and Mrs I during the claim.

Whilst I note what Mr and Mrs I say they expected to happen, I don't think Saga acted unreasonably by not doing so. As explained, the insurer (a different company to Saga) was responsible for handling their claim and dealing with any complaints about the handling of the claim. Saga was acting as an intermediary, and this was simply in the capacity of handling and administering the sale and renewal of Mr and Mrs I's policy. Saga weren't directly involved in the claim, as that wasn't their role as an intermediary. The terms of Mr and Mrs I's policy explained that Saga were acting as an intermediary, and also outlined the relevant insurers for the policy and add-ons who'd be responsible for any claims made and complaints about that. The terms didn't say that Saga would be a representative for Mr and Mrs I if they were in a claim situation or that they would be involved in the claim either.

I do recognise that's what Mr and Mrs I *expected* to happen, and that was on the basis that Saga was a name which they expected to support them. However, whilst they might have *expected* that to happen, this isn't something Saga were required to do in the capacity of an intermediary, and it isn't something the terms said they would do either.

Mr and Mrs I say they've paid high premiums to Saga and expected this type of service from them if they ever found themselves in a claim situation. But again, as an intermediary, Saga collected the premiums for the insurer, and passed them on to the insurer who was responsible for handling and paying any claims. This is also outlined in the terms:

*"When you take out a policy with us, we retain a percentage of the annual premium to cover our operating costs and profit. The balance is paid to the insurer."*

So, whilst Mr and Mrs I paid the premiums to Saga when taking out and renewing the policy, this was for an insurance policy provided by the insurer and was passed on to them accordingly.

Mr and Mrs I also say that Saga aren't providing a five-star service, but they advertise a five-star rating from Defaqto. They've said that Saga should improve their communication and relationships with their providers, and their customers, if they want to remain five-star rated. They don't think the five-star rating is appropriate or accurate based on the service they expected to, but didn't, receive.

From my understanding, Defaqto independently rates various financial products across the market, and awards star ratings based on their own specific criteria. Whilst I acknowledge Mr and Mrs I don't think Saga should be rated five stars, it's not the role of this service to determine whether Defaqto, an independent and separate company to Saga, has awarded them the appropriate star rating.

I also note Mr and Mrs I are unhappy with Saga's answer to their complaint, as Saga said that without any further information, they wouldn't be changing their final response, but then wouldn't tell Mr and Mrs I what further information to provide. However, Saga had issued their final response to the complaint, so it wasn't for them to tell Mr and Mrs I what additional information they should provide to change the outcome of the complaint. Saga had already given Mr and Mrs I referral rights to this service, so they could then approach this service if they remained unhappy.

Our investigator also explained to Mr and Mrs I that the Financial Ombudsman Service isn't the regulator of financial businesses such as Saga. And we don't have the powers, and it's not our role, to decide how financial businesses should operate more widely, how to market themselves or their products more generally, or what regulated activities they should or should not carry out. Instead, the Financial Conduct Authority is the regulator who is responsible for this. Mr and Mrs I say they accept the Financial Ombudsman Service isn't the regulator. But they've also said that instead of telling Saga what to do as this is outside our remit, this service should instead highlight the opportunities for Saga to change the way they operate and to suggest they review their internal procedures. However, it's not the role of this service to do that as that would be for the regulator instead.

Lastly, Mr and Mrs I said that Saga hasn't recognised that they failed to provide the service Mr and Mrs I expected, and an apology would have gone a long way. But as outlined, it was an expectation Mr and Mrs I had about the service they'd receive, rather than a service that Saga, as an intermediary, should have, but failed to provide. Having said that though, Saga did apologise in any event in their final response:

*"I've investigated your complaint and I'm really sorry that the service provided by us isn't what you expected in relation to your Saga Home Insurance policy..."*

Whilst I recognise Mr and Mrs I's strength of feelings about the service they expected to receive from Saga, I don't think Saga acted unreasonably for the reasons outlined above.

### **My final decision**

It's my final decision that I don't uphold this complaint.

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

Callum Milne  
**Ombudsman**