

The complaint

Mr R has complained that U K Insurance Limited trading as Direct Line unfairly refused to beat a competing quote for a landlord insurance policy.

What happened

When the existing landlord insurance policy for his block of flats was due for renewal, Mr R contacted Direct Line for a quote. The quote was £1,378. This was £166 more than he'd been quoted by his broker.

Direct Line emailed Mr R and said it would "*guarantee to beat the price of any other like-for-like quote you've got*". Mr R contacted Direct Line and told it about the better quote he had. It asked him to email his renewal documents, which he did, including the schedule.

When Mr R rang Direct Line, its call handler said it hadn't received the schedule and so it couldn't compare the quotes. In particular it wanted to know about the policy excesses. Mr R told the call handler what the policy excesses were and also said Direct Line could contact his broker direct. Direct Line said it needed to check the policy schedule to check that the cover was equivalent in order for the guarantee to apply.

Mr R complained to Direct Line. It said it couldn't honour the guarantee until it saw the full renewal documentation.

Mr R referred his complaint to this service. He suspects the sole purpose of the guarantee was for Direct Line to gather information about its competitors. He said Direct Line wasted a lot of his time and caused him unnecessary distress. Our Investigator didn't uphold his complaint. She didn't think Direct Line had acted unreasonably. As Mr R didn't agree, the matter has been referred to me.

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.

Direct Line's guarantee is that if a consumer is able to obtain cover on an equivalent basis to its cover, it would beat the price. Mr R sent it details of his quote but for whatever reason the schedule wasn't attached to the email Direct Line received. The schedule contained important information about the policy excesses.

Instead of resending the schedule, Mr R gave Direct Line details of the various excesses and suggested it should contact his broker. This isn't something I'd expect Direct Line to do.

It's a condition of the guarantee that cover should be on an equivalent basis and that the consumer should send Direct Line proof of the quote or renewal documentation detailing the cover. As the excesses payable under a policy are often an important factor in determining the premium, I can understand why Direct Line wanted that information about Mr R's quote. Although he provided information about the excesses in a telephone call and an email,

Direct Line was entitled to insist on proof which I don't think was unreasonable before it honoured the guarantee. It's not clear to me why Mr R didn't simply forward the schedule.

I can see that Mr R spent some time discussing this with Direct Line but renewing insurance policies does sometimes involve a degree of trouble. I haven't seen any evidence that Direct Line wouldn't have honoured the guarantee if Mr R had satisfied the terms of it.

Mr R raised some additional complaint points when responding to our Investigator's view. I'm not able to look at those as they need to be raised with Direct Line first.

I'm sorry to disappoint Mr R but I don't think Direct Line has treated him unfairly or unreasonably.

My final decision

For the reasons set out above, I do not 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 26 May 2025.

Elizabeth Grant
Ombudsman