

The complaint

Mr S is unhappy with the service provided by Saga Services Limited (Saga) following changes to his home insurance policy.

Mrs S and Mr S are both party to this complaint. As Mr S has primarily dealt with this Service, I have referred to Mr S throughout this final decision.

What happened

Mr S took out a home insurance policy arranged by Saga in 2022. The underwriter of the contents cover part of Mr S's home insurance policy was C. The policy information explained the price of Mr S's policy included Saga's *'3-year fixed price, meaning your price will stay the same for your next two renewals.'*

Mr S's policy renewed in 2023 at the same price that he'd paid in 2022. The policy information provided at the 2023 renewal explained Saga's terms of business. This said

3-year Fixed Price terms and conditions

'Saga or the Underwriters may change the policy wording, schedule or include an endorsement at any time, which could result in changes to your excess (the first part of any claim that you must pay). Any change will be communicated to you in writing.'

Saga sent Mr S a renewal invite for his policy in 2024 with a different insurer, A. This explained:

'Please check the endorsements section in your Statement of Insurance for any special conditions on your policy. This year your contents cover will be underwritten by [A].'

The Statement of Insurance included the following endorsement:

Contents

Compulsory excesses

We will not pay the first £200 of each claim under this policy. This amount applies in addition to any amount shown as not being covered in the policy or Schedule.

Mr S complained to Saga about the endorsement applied at renewal in 2024. Mr S said this wasn't in line with what he was told about the premium not changing when the policy was taken out in 2022. Saga said the endorsement had been applied in line with what Mr S was told could happen in 2023. Mr S was unhappy with this response, and brought the complaint to the Financial Ombudsman Service.

The investigator found that Saga had acted reasonably. The investigator didn't ask Saga to do anything in settlement of Mr S's complaint. Mr S rejected these findings saying *'the policy*

price hasn't changed but by inference its financial benefit has, by the introduction of the increased unjustified excesses', which violates the intent and the net worth of the product, which I believe should be classed as unlawful.' As the complaint couldn't be resolved, it has been passed to me for decision.

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 reviewed the evidence I don't think Saga need to do anything in settlement of this complaint. I can understand this is likely to come as a disappointment to Mr S but I hope my findings go some way in explaining why I've reached this decision. 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 has affected what I think is the right outcome.

Saga was responsible for the sale and administration of Mr S's policy. It's not disputed that when Mr S took out his home insurance policy arranged by Saga, he was of the understanding that the policy premium would be fixed for three years. The price of Mr S's policy hasn't changed. But Mr S says the value for money offered by his policy is impacted by the additional compulsory excess now payable for contents insurance claims.

I accept Mr S's point about the policy cost and benefit being impacted by the change in excess payable for every claim made under the contents part of Mr S's policy. I've considered Saga's role in this, as the business responsible for arranging Mr S's policy. I've looked at what Mr S was told about the scope of Saga's service, and potential changes that could happen. And having considered everything, I'm satisfied Saga has acted in line with the terms of agreement accepted by Mr S.

I recognise the upset and frustration caused to Mr S. He wasn't expecting the terms and conditions of his home insurance policy to change to the extent that it would become more expensive for him to make a claim under certain parts of the policy. But Mr S was told that Saga, or the Underwriter, could '*include an endorsement at any time*'. And that this could result in a change to the excess payable in the event of a claim. Although disappointing for Mr S, Saga's action in 2024 are in line with what Mr S was told could happen.

Saga's role as intermediary involves introducing Mr S to a number of insurers that it considers meets Mr S's demands and needs. By offering Mr S cover with A, Mr S was able to benefit from a policy in line with the 3-year Fixed Price promotion accepted in 2022. Mr S could've rejected the renewal that included the endorsement, but as Saga has explained, this would've resulted in Mr S having to pay a much higher premium to benefit from a similar level of cover that he had benefitted from. This represents the risk appetite of insurers offering cover at the time, and isn't something Saga can be held responsible for.

Saga acted reasonably in its communication with Mr S about the policy excess, and what this would mean for Mr S's policy. Although I appreciate the frustration and upset caused to Mr S by the policy offered in 2024, I am satisfied Saga's actions have been in line with the terms of business, and what Mr S was told could happen. Because of this, I won't be asking Saga to do anything in settlement of this complaint.

My final decision

For the reasons provided I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or

reject my decision before 30 May 2025.

Neeta Karelia
Ombudsman