

## **The complaint**

Mr and Mrs W complain about the actions of Sainsbury's Bank Plc (Sainsbury's) in its handling of their home insurance policy, after their policy was treated as if it never existed.

Although Mr and Mrs W are both party to the complaint, for ease of reference, I've referred to Mr W throughout this decision.

## **What happened**

Mr W purchased a home insurance policy, through Sainsbury's, online in February 2024. In September 2024, he made a claim with the insurer of the policy, who I'll refer to as A. A made the decision to treat Mr W's policy as if it never existed (recorded as 'not taken up'). A said this was because Mr W failed to disclose information about a previous claim when he took out the policy. Sainsbury's issued a full refund of Mr W's policy premium.

Mr W complained to Sainsbury's. He was unhappy he'd lost access to his online account and received a full refund of the premium, without being given any notice.

Sainsbury's issued a complaint response in December 2024. It said it was A's decision to treat Mr W's policy as if it never existed. Sainsbury's said it was unable to control A's decision and it was A's responsibility to notify Mr W.

Mr W referred his complaint to the Financial Ombudsman Service. He said Sainsbury's was responsible for the decision on the policy, as he felt Sainsbury's was liable for A's actions.

## **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.

Under this decision, I've considered the actions of Sainsbury's in its role as an insurance intermediary. This includes its role in the sale of the policy and subsequent administration. But action in relation to the failure to disclose information, any claim decision and how information was recorded as a result, is the responsibility of A, not Sainsbury's.

Mr W says his contract and contact was with Sainsbury's. I've reviewed the documents that formed Mr W's insurance agreement, and I consider it's clear that while Sainsbury's arranged the insurance, cover was provided by A. It's also made clear in the event of incorrect information being provided when applying for insurance, action may be taken by A. So I don't agree Sainsbury's is responsible for Mr W's complaint about the policy decision.

Sainsbury's acted as a broker, and sold the policy to Mr W. Given that the policy was sold on a non-advised basis, Sainsbury's was required to provide clear, fair and not misleading information, to allow Mr W to make an informed decision about the product.

Mr W said the issue is more to do with the approach taken on the policy and claim, rather than the information provided during the sale. He's accepted he made an innocent mistake when he failed to disclose a previous claim.

But for completeness, keeping in mind its responsibilities, I've reviewed the actions of Sainsbury's during the sale. And having done so, I'm not persuaded it provided any unclear, unfair or misleading information to Mr W. I say this because in addition to the above, I can see Mr W was asked a clear question about any claims made in the last five years, with further information on what this included. Sainsbury's also outlined information about the questions asked, and answers provided, clearly in the subsequent statement of fact document. I'm also satisfied Mr W received information from Sainsbury's by letter following the sale and had access to the online portal at that time, containing the policy documents.

So overall, I've not seen sufficient evidence to persuade me Sainsbury's did anything wrong when it sold the policy to Mr W.

On the matter of notification, as outlined above, action taken in the event of incorrect information being provided when applying for the insurance, would be by A. I'm satisfied A, in doing so, was acting in its own capacity as insurer, and not as an agent of Sainsbury's. And Sainsbury's provided evidence to show A outlined its decision to treat the policy as if it never existed and that it (A) would send communication to Mr W to this effect. Because the decision was made by A, and A said it would communicate this to Mr W, I'm not satisfied Sainsbury's was required to notify Mr W in the circumstances. So I don't consider it did anything wrong.

A did inform Sainsbury's of the need to refund Mr W's premium in full. The evidence I've seen shows this is what Sainsbury's did. And because Sainsbury's did what it was asked to do by A, I can't say it acted unfairly.

Overall, I've not seen sufficient evidence to persuade me Sainsbury's did anything wrong that led to the action A took on Mr W's claim and policy. Nor do I consider Sainsbury's acted unfairly following A's decision. So I won't direct Sainsbury's to do anything else.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 12 September 2025.

Monjur Alam  
**Ombudsman**