

The complaint

The late Mr G's representative has complained about the actions of Homeserve Membership Limited ('Homeserve') in relation to Mr G's home emergence policy for his previous address. For the avoidance of doubt, the term 'Homeserve' includes reference to its agents and representatives, and reference to the estate of Mr G includes submissions made on its behalf by their Citizens Advice Bureau representative.

What happened

Mr G initially took out cover with Homeserve in 2004 and moved from Mr and Mrs G's previous address in 2011. Mr G sadly passed away in 2024 and Mrs G noted on checking Mr G's financial records that they were still paying £23.53 per month from Mr and Mrs G's joint bank account for the Homeserve policy relating to the previous address. Mrs G contacted Homeserve, however it didn't find any record of Mr G having cancelled the policy. The policy was eventually cancelled in April 2024.

Mrs G complained to Homeserve as she thought that Mr G had cancelled the policy and Homeserve agreed to refund £70.59, but it declined to reimburse all payments since 2011. Mrs G was unhappy about Homeserve's response and said that she had other cover in place for the current address. She therefore referred her complaint to this service, as she wanted Homeserve to offer an apology and compensation.

The relevant investigator initially partly upheld the complaint on the basis that there was dual insurance in place. He also felt that Mrs G had paid for a Land Registry document due to Homeserve's actions. He subsequently decided not to uphold the complaint, as a separate complaint would need to be raised about dual insurance, and the insurer would need to be given an opportunity to respond. He also reached the view that it hadn't been necessary to obtain Land Registry document to evidence sale of the previous property.

Mr G's representative didn't agree with the outcome of the complaint and the matter was Therefore referred to me to make a final decision in my role as Ombudsman. In early May 2025, I issued a provisional decision for this complaint and explained why I was minded to partly uphold Mr G's complaint as follows: -

'I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.'

The key issue for me to determine is whether Homeserve acted in a fair and reasonable manner in reimbursing Mr G's estate in the sum of £70.59 only. On a provisional I don't consider that Homeserve handled the complaint in a fair and reasonable manner in all respects. In reaching the decision, I've noted the parties' submissions as summarised below.

I turn firstly to the submissions made by Mr G's representative. It was Mrs G's recollection that Mr G had updated all financial matters for the previous address when they moved. She was sure that Mr G would have cancelled the previous insurance at the time. Mrs G had contacted Homeserve in early March 2024 having realised that direct debit payments were still being made to Homeserve for the previous address.

Mrs G was advised by Homeserve that she needed to provide evidence of having left the address in 2011. The advice was repeated to Mrs G's representative, Homeserve didn't 'discuss any other limitations.' No mention was made that Homeserve would only make payments for the period after Mr G's death. As a result, Mrs G applied for Land Registry documents to evidence the change of address and sent these to Homeserve in July 2024. When Mrs G chased up the matter, Homeserve said that she would receive compensation of £70.59 and an explanation of the calculation. A cheque arrived but with no explanation and this was only received following two further requests by Mrs G.

Mr G's representative considered it highly likely that Homeserve would have been updated by the new residents that Mr and Mrs G no longer lived at the previous address. He said that it was clear that Mr and Mrs G were no longer in need of the policy after leaving. The representative accepted that Mr G had clearly failed to cancel his direct debit, and he considered that; 'It is highly likely that he failed to see the relatively modest amount of monthly charges amongst a busy financial statement, provided by their bank'.

The representative said that Homeserve was unable to produce evidence to refute that Mr G made a telephone call cancelling the policy. Whilst he couldn't prove that Mr G telephoned the company, no other utility company had the same issues as Homeserve. He said that Mrs G only managed the couple's finances after Mr G's death. The representative added that it was clear that no service had been received from Homeserve for 13 years, and that it was contrary to natural justice to charge for a service it didn't provide. He stated that Homeserve hadn't been able to supply copies of renewal correspondence before 2015. Also, Mr G had arranged for letters to be forwarded to the new address for a six-month period after moving.

Mrs G had separate insurance cover in relation to plumbing and drainage at her current property. The representative accepted that no formal complaint had been made about the duplicate insurance point, however, he reiterated that it was clear that Homeserve were dealing with the same customer at two different addresses. Finally, Mrs G considered the offer of £70.59 to be derisory so she hadn't cashed the cheque, and the representative added that Mrs G was elderly and didn't need such distress.

I now turn to Homeserve's final response letter dated April 2024. It apologised for anything that led to the complaint. However, Homeserve refuted Mrs G's assertion that Mr G had cancelled the policy and said that there was no evidence to suggest that he made any such call. It confirmed that funds continued to be debited for 13 years after Mr G had moved.

Homeserve said that it had also sent out policy and renewal documents to the customer to make him aware of the cover and of the option to cancel the policy. It said that cancellation only took place when Mrs G discovered the on-going payments. It said that Mr G could have transferred the policy to the new property and would have had an insurable interest. It also said that it would have noted returned correspondence on its systems, but there was no record of this. It said that it advised that if any repairs had been completed at the new address, which would have been covered by the policy, then it could assess these.

In terms of any refund, Homeserve said that this was considered, however, to do so, it would need proof of sale of the original property. It said that, unfortunately, it; 'would not be able to assess any refund without this as we have updated customers on all occasions also if payments were coming out who weren't aware should have called however it is 13 years on and payments have still been taken. We would need the evidence to consider reimbursement' [sic]. Homeserve sent multiple letters to the policyholder, and said that at any point, the complainant could have called to cancel the policy or to query what the payment was. It refunded payments debited since Mr G passed away, as he was the one who knew the cover was in place. As there was no record of contact to move the policy or to

cancel cover, the policy had remained active.

Homeserve made it clear that Mrs G hadn't complained about having dual insurance and it said that the insurer would need to see relevant evidence from Mrs G so that it could investigate this aspect accordingly. As regards the Land Registry fee, Homeserve stated that it was standard practice to request information, as Mrs G had argued that the policy had been cancelled. It said that it was only once its investigations were complete that it was able to confirm that a full refund couldn't be provided.

I now turn to my reasons for partly upholding the complaint. The representatives confirmed that they couldn't prove that Mr G called Homeserve to cancel the policy in 2011. The fact that Mr G successfully contacted utility services to inform them of the move unfortunately doesn't show that he'd also contacted Homeserve. The representative also accepted that Mr G had clearly failed to cancel the relevant direct debit. The premiums had then continued to be paid from Mr and Mrs G's account each month for the next 13 years. I appreciate the submission that Mr G may have failed to see the relatively modest amount of monthly charges amongst a busy financial statement, however 13 years is a very long period, which may suggest that Mr G was aware of the continuation of the policy, possibly thinking that it would cover his new property, and hadn't seen the need to cancel the direct debit.

It's most unfortunate that correspondence from Homeserve went to the previous address, however, from the available evidence, I can't say that this was due to any failure by Homeserve. There's no evidence to show that the new owners had returned correspondence to Homeserve or that Mr G didn't initially receive any re-directed policy correspondence at his new address, although a considerable amount of policy and renewal correspondence was sent to the previous home. Unfortunately, this means that Mr G wouldn't have been reminded of the terms of the policy on an annual basis. I appreciate that Mrs G hadn't managed the couple's finances until after Mr G's death and hadn't been aware of this monthly payment, even though the payment was out of their joint account.

In conclusion, and on the balance of probabilities, as the policy referred specifically to the previous address being covered by the policy, it's likely that Mr G had simply forgotten that the policy was continuing and hadn't checked the relevant direct debit coming out of the joint bank account. I can't say that this was due to any failure on the part of Homeserve, and I can't say that Homeserve acted unfairly or unreasonably in this respect.

Having said all of the above however, on a provisional basis, I do consider that Homeserve could have been much clearer in explaining what would happen next. Its correspondence in response to the complaint was unclear and poorly written, bearing in mind that Homeserve was dealing with a vulnerable consumer. The final response letter of April 2024 didn't simply say that Homeserve would investigate whether a refund was payable. It went further and stated and implied that it would consider and 'assess any refund' on receipt of evidence of the move in 2011. The letter didn't go on to say that if any refund was paid it would only be likely to apply to the period following Mr G's death. I consider that this raised reasonable expectations that Homeserve would be assessing some refund for the period between 2011 and Mr G's death, and not only for the period following his death.

I appreciate that Homeserve needed to investigate whether there was any record of cancellation, however I consider that it could have done [this] from the outset, without requiring Mrs G to produce evidence of change of address. I also consider that it was entirely reasonable for Mrs G to have sought definitive evidence at a cost of £14 in the form of the Land Registry record, bearing in mind that she would reasonably think that the evidence was critical. Whilst Homeserve didn't specifically require this exact form of evidence, it was reasonable for Mrs G to have obtained this definitive evidence. Having raised her expectations, it's understandable that Mrs G went to the time, effort and cost of

pursuing the matter. The subsequent decision to decline to pay any refund, apart from the period after Mr G's death, will no doubt have come as a great disappointment.

On a provisional basis, I therefore consider that Homeserve's correspondence was unhelpful and confusing, raised expectations, and ultimately caused distress and inconvenience. I'm therefore minded to require Homeserve to pay compensation in the sum of £500 in total to include the sum of £70.49 offered for the period following Mr G's death and also to include the sum of £14 which Mrs G understandably incurred in obtaining definitive evidence. For the avoidance of doubt, this provisional decision doesn't preclude Mrs G from making a separate complaint to the insurer with regard to the question of dual insurance. The insurer should however be given the opportunity to investigate and respond to any such complaint.'

In my provisional decision, I asked both Homeserve and Mr G's representatives if they had any further comments or evidence which they would like me to consider before I made a final decision in relation to this 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.

Homeserve made it clear that it had no further comments to add. Mr G's representatives didn't respond to the provisional decision within the timescale given for response. In the circumstances, I'm satisfied that the provisional decision provides a fair and reasonable outcome to this complaint, and I partly uphold the complaint as follows.

My final decision

For the reasons given above, I partly uphold Mr G's representatives' complaint and require Homeserve Membership Limited to pay £500 compensation in total for the distress and inconvenience caused, which sum includes the sums of £70.49 and £14 as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr G to accept or reject my decision before 27 June 2025.

Claire Jones
Ombudsman