

## **The complaint**

The estate of Mrs B complains Saga Services Limited (Saga) mis-sold it a home insurance policy. The estate of Mrs B is being represented by an executor, Mr B.

## **What happened**

The circumstances of this complaint will be well known to both parties and so I've summarised events.

The late Mrs B held a home insurance policy which had been arranged by Saga. Mr B made Saga aware Mrs B had sadly passed away and so in September 2022 Saga arranged for a new policy to be taken out. As the property was now unoccupied, an endorsement numbered 001 was added to the policy. This said the insurer would not provide cover for an escape of water or oil during the period of November to April unless the central heating was installed and maintained at a minimum 15 degrees Celsius, or all water supplies were turned off at the mains and the water drained from the system.

In August 2023 Saga sent Mr B a renewal notice. The endorsement on the policy had now changed to endorsement 003. The new endorsement on the policy explained the insurer would only provide cover for damage caused by certain insured events, and damage caused by an escape of water wasn't included.

In September 2023 Mr B contacted Saga as he hadn't received the renewal notice and wanted to know whether the property was still insured. Following discussion Mr B agreed to renew the policy.

In January 2024 damage was caused to the property following an escape of water and so Mr B reported a claim to the insurer. The insurer declined Mr B's claim as it said the policy didn't include cover for an escape of water. Mr B raised a complaint with Saga on behalf of Mrs B's estate as he said he wouldn't have agreed to a policy which didn't provide cover for an escape of water.

On 17 June 2024 Saga issued Mr B with a final response to the complaint. It said:

- Endorsement 003 on the policy confirmed there was no longer cover for an escape of water
- It acknowledged this hadn't been confirmed to Mr B when he spoke with Saga in 2023 and so it considered the cover under both the current and previous endorsements.
- As there had been an escape of water, it was evident the water supply hadn't been turned off and the system drained, therefore it would have been necessary for the central heating to be maintained at a minimum of 15 degrees Celsius.
- The energy bills Mr B had provided showed there was no gas consumption or energy usage between October 2023 and December 2023, so the central heating hadn't

been maintained as required by the previous endorsement.

- It acknowledged there could have been an issue with the smart meter, but the previous endorsement also required someone to visit the property once a week and so it would expect this to have been picked up and rectified.
- As the outcome for each endorsement remained the same, it didn't uphold the complaint.

Mr B didn't think this was reasonable and so referred the complaint to this Service. Our investigator looked into things. He said:

- He didn't think Saga had made it sufficiently clear the endorsement had changed at the September 2023 renewal.
- Had Saga made it sufficiently clear the policy no longer covered an escape of water, Mr B would have sought a policy elsewhere.
- He thought Saga's error meant Mr B had lost the opportunity to purchase an alternative policy with escape of water cover, and comply with the requirements that policy may have included.
- He thought Saga should cover the cost to the estate of repairing the damage caused by the escape of water in January 2024.
- As the complaint was bought on behalf of an estate, he was unable to recommend Saga pay compensation for distress and inconvenience.

Mr B accepted our investigator's view, but Saga disagreed. It said it thought it was reasonable to consider Mr B's claim against the previous policy endorsement and the evidence showed the heating hadn't been kept on as required by the endorsement. It acknowledged it should have made Mr B aware of the change in endorsement and so wanted to offer Mr B £1,250 compensation.

I issued a provisional decision about this complaint and I said:

*'I want to acknowledge I've summarised Mr B's complaint in less detail than he's presented it. I've not commented on every point he has raised. Instead, I've focussed on what I consider to be the key points I need to think about. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. I assure Mr B and Saga I've read and considered everything that's been provided.'*

*Saga have accepted it failed to make Mr B appropriately aware the endorsement on the policy had changed and the property was no longer covered for damage caused by an escape of water. So, I've considered the position the estate of Mrs B would have been in had Saga made Mr B appropriately aware the endorsement had changed.*

*On balance, I think it's more likely than not Mr B would have sought an alternative policy had he been made aware the policy he was renewing no longer provided cover for an escape of water. In September 2023 Mr B said he was happy to renew the policy provided the terms were the same as before, and so I think ensuring the property was covered for an escape of water was important to Mr B. And, whilst I think an alternative policy providing this cover may have been more expensive, I think Mr B would have incurred this additional expense to ensure the property was*

sufficiently covered.

So, I think it's reasonable to consider whether Mr B's claim would have been accepted had he purchased an alternative policy to cover the property.

The property Mr B was looking to insure was unoccupied and had been for some time. And terms like those set out in endorsement 001 are common within home insurance policies, particularly when a property has been left unoccupied. So, even had Mr B purchased an alternative policy, I think it still would have been necessary for the central heating to be left on or the water supply to be turned off and the water drained from the system.

Whilst I acknowledge there is no way to know what the specific terms of an alternative policy would have been, I think it's reasonable to consider whether Mr B's claim would have been accepted had endorsement 001 been in place at the time of his claim. As explained, I think terms such as these are common, and these were the terms Mr B previously agreed to, and believed were in place at the time of the claim.

Endorsement 001 explained there would be no cover for an escape of water during November to April unless central heating had been installed and maintained at a minimum of 15 degrees Celsius, or all water supplies were turned off at the mains and the water drained from the system.

Saga have provided copies of the energy bills for the property covering the period between 24 September 2023 and 23 January 2024. The energy bills show the gas smart meter reading remained the same from 24 September 2023 until 1 January 2024. The 23 January 2024 used an estimated meter reading rather than the smart meter reading. Saga have said this suggests the central heating system wasn't in use during this period. Mr B has said the central heating was in use, and so there must have been an issue with the smart meter readings.

Mr B has said the energy provider switched to estimated readings which suggested it believed there was an issue with the smart meter, but I don't consider this to be persuasive evidence of there being an issue. Mr B has provided an email from the energy provider to say it hasn't been able to confirm whether there was an error with the boiler or meter.

Without persuasive evidence there was an issue with the smart meter, I think it's reasonable for Saga to conclude it's more likely the central heating wasn't in use during this period and so hadn't been maintained at a minimum of 15 degrees Celsius. If the central heating wasn't maintained at a minimum of 15 degrees Celsius then it was necessary for the water supply to be turned off and the water drained from the system. Based on the evidence provided it appears the escape of water was caused by a split pipe at the property. Had the water supply been turned off, and the water drained from the system, the escape of water wouldn't have occurred. I think it's reasonable to conclude the water supply hadn't been turned off at the time of the claim.

Based on the evidence provided, I think it was reasonable for Saga to conclude Mr B's claim would have been declined even had endorsement 001 been in place at the time of the incident. The evidence suggests the central heating wasn't maintained at a minimum of 15 degrees, nor that the water supply was turned off at the time of the claim. As I think any alternative policy Mr B may have been able to purchase would have had similar terms to those set out in endorsement 001, I think it's more likely than not Mr B's claim would have been declined even had he insured the property

elsewhere.

*So, for the reasons I've explained, had it not been for Saga's error, I think Mr B would have sought an alternative policy to cover the property. However, even had he done so, I think the subsequent claim he made more than likely would have been declined. So, I think the estate of Mrs B are in the same position now as it would have been had Saga not made an error. As I'm not persuaded the claim Mr B has submitted would have been covered by an alternative insurance policy, it wouldn't be reasonable to require Saga to pay to repair the damage caused to the property.*

*In respect of any impact caused, I should explain that this Service can only make awards for distress and inconvenience to 'eligible complainants'. In the circumstances of this complaint, the eligible complainant is the late Mrs B, as she owned the property and therefore was the beneficiary of the insurance policy that covered it. Our rules allow a third-party to bring a complaint on behalf of an eligible complainant, for example from an executor of an estate for an eligible complainant that has since passed away. That applies here as Mr B is the executor of the late Mrs B's estate. But that doesn't mean Mr B is an eligible complainant in his own right. This means I cannot make an award for any distress or inconvenience caused to Mr B as an executor for the late Mrs B; as our rules simply do not permit me to award compensation to a representative in these circumstances.*

*Saga have offered to pay Mr B £1,250 compensation for the distress and inconvenience he has been caused. I'm unable to comment on this offer of compensation as part of this decision. If Mr B wishes to accept this offer, he would need to discuss this with Saga directly.*

*I naturally empathise with Mr B given everything he has been through. However for the reasons I've explained I don't intend to uphold this complaint.'*

Saga didn't respond to the provisional decision. Mr B provided a detailed response but in summary he said:

- The policy was mis-sold, which Saga have accepted, and had he been told the policy had changed he would have ensured he had appropriate cover elsewhere.
- The energy readings can't be relied upon to say the central heating hadn't been switched on at the property, nor can he be held responsible for any issues with the smart meter.
- There was nothing within the loss adjuster report which said he was responsible for the damage to the property.

### **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, I've reached the same outcome to the one I did previously for the same reasons as set out before.

It's been accepted by all parties that Saga failed to make Mr B appropriately aware the policy endorsement had changed at renewal. However, what I've considered is the position the estate of Mr B would have been in had Saga made Mr B appropriately aware the endorsement had changed.

As explained, I think Mr B would have sought an alternative policy providing cover for an escape of water, but given the property was unoccupied, I'm satisfied any alternative policy he may have purchased would have included an endorsement similar to endorsement 001. So, it was reasonable for Saga to consider whether Mr B's claim would have likely been accepted if endorsement 001 was in place at the time of the claim rather than endorsement 003.

Whilst I'm aware Mr B has said the heating in the property was left on as required, the energy bills provided don't support this being the case. Whilst I acknowledge it's possible for smart meters to fail, I don't think persuasive evidence has been provided to demonstrate this was the case here. So, I think it's more likely than not the heating hadn't been left on as required. So, I think it was reasonable for Saga to conclude, based on the evidence provided, that the water supply hadn't been drained and turned off, nor had the heating been left on as endorsement 001 required. If Mr B can obtain new evidence there was an issue with the smart meter then he should provide this to Saga to consider.

Taking all of this into consideration, I think it's reasonable for Saga to conclude that even had Mr B purchased an alternative policy, his claim would have more than likely been declined and the estate would be in the same position it is now in relation to the property. So, I don't require it to pay for the repairs to Mr B's property.

As explained, I'm not able to award compensation for distress and inconvenience caused to Mr B. Saga have offered to pay Mr B £1,250 compensation for his distress and inconvenience. If Mr B wishes to accept this payment he would need to discuss this with Saga directly.

### **My final decision**

For the reasons I've outlined above, I don't uphold the estate of Mrs B's complaint about Saga Services Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs B to accept or reject my decision before 8 October 2025.

Andrew Clarke  
**Ombudsman**