

The complaint

Mr and Mrs H complain Post Office Management Services Limited (“POMSL”) provided poor customer service when handling a query about their property insurance policy. They say this caused them significant distress and inconvenience.

All references to POMSL include its agents.

I understand Mr and Mrs H are also unhappy about the decision to cancel their property insurance policy. But as that decision was made by the underwriter of the policy, I can’t consider it here and it will need to be dealt with as a separate complaint. So this decision is about the customer service POMSL provided only.

What happened

Mr and Mrs H renewed their property insurance policy covering their buildings and contents around April 2024. On 8 January 2025, Mr and Mrs H notified POMSL that they were starting building work soon after (on 27 January 2025). The call handler at POMSL explained they’d need to pass the information onto the underwriter of the policy who would make a decision about whether the policy would need to be cancelled. Mr and Mrs H say they were told they’d hear back within five days.

As Mr and Mrs H hadn’t heard anything, they got in touch with POMSL on 20 January 2025 to find out what was happening. And at this time, they also raised a complaint as there had been no updates. They say they were told the call handler they originally spoke to would contact them with an update. But as they didn’t receive a call back, they chased again the following day.

At this point, POMSL let Mr and Mrs H know the underwriter had agreed to continue cover. And the following day, Mr and Mrs H say they received an email confirming this. But following this, Mr and Mrs H received a further call from POMSL during which, it queried the type of agreement Mr and Mrs H had in place with their contractor for the building work. It explained if it was a particular type of contract published by the Joint Contracts Tribunal (“JCT”), the policy would have to be cancelled. Mr and Mrs H provided a copy of the contract to POMSL the following day at which point, the underwriter made the decision to cancel the policy as it thought it was a JCT contract.

After some further investigation carried out by Mr and Mrs H, they informed POMSL the contract wasn’t a JCT contract. The underwriter accepted this information and continued to cover Mr and Mrs H.

POMSL accepted it had provided a poor service to Mr and Mrs H so it offered them £200 as compensation. It said it should’ve asked relevant questions about the type of agreement they had with the contractor when Mr and Mrs H first got in touch and provided more information when they chased.

Mr and Mrs H didn't think POMSL's offer was fair so they asked our Service to look into things. Our Investigator directed POMSL to increase the compensation to £300, highlighting the distress, inconvenience and financial difficulty Mr and Mrs H were caused by having to shop around for a new policy at short notice. POMSL didn't accept our Investigator's view so the complaint was passed to me to decide.

We were given recordings of the calls Mr and Mrs H had with POMSL, the call notes and copies of the emails sent between the parties.

I issued a provisional decision in September 2025 which I've copied below:

"Based on everything I've seen so far in this case, I don't intend to uphold it as I think POMSL's offer fairly compensates Mr and Mrs H for the distress and inconvenience it caused them. I know Mr and Mrs H will be disappointed but I think it's the fair outcome in this case. I'll explain why.

Mr and Mrs H have explained they had to chase POMSL on a number of occasions. This includes when they called on 20 January 2025 after not hearing anything for around 12 days. And again when they called the following day after they were told they'd be called back with an update on their query. And I'm satisfied that would've been very frustrating for them, particularly as they needed an answer quickly so they could take action if necessary. I can also see they were given conflicting and inconsistent information which would've been worrying and confusing.

POMSL has accepted it could've been more proactive during these calls to ensure Mr and Mrs H were asked for information the underwriter would likely need – for example, the type of agreement they had with their contractor. And because it didn't, it meant the decision to cancel the policy was made much later than it could've been.

POMSL has offered Mr and Mrs H £200 to make up for what's gone wrong in this case and at the moment, I think that fairly compensates them for not updating them when it said it would and not moving things forward as quickly or as proactively as it could've.

I know Mr and Mrs H don't think the compensation offered is enough to make up for the distress and inconvenience they've been through. And I appreciate they've said they were caused significant upset, inconvenience and financial difficulty when they were told their policy had been cancelled, and they had very little time to shop around for a new, suitable policy before the works on their property were due to begin. But I don't think POMSL was responsible for that decision. And instead it was the underwriter of the policy that decided to cancel it. So I haven't considered the impact of it on Mr and Mrs H when working out the fair compensation in this case.

Overall, I currently think the offer POMSL made to Mr and Mrs H is fair to make up for what's gone wrong in this case so I don't think it needs to pay any more than it's already offered."

I asked both parties to make any further comments before I reach my final decision.

Mr and Mrs H said they accepted my provisional decision about POMSL's failings only, provided a separate complaint about the underwriter cancelling the policy would be looked into. They also highlighted that they haven't received payment of the offer POMSL made to them of £200. So they asked that I clearly direct POMSL to pay them. POMSL didn't reply by the deadline set.

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 considered the comments I've received, I see no reason to change the outcome reached in my provisional decision. So I don't uphold this complaint or direct POMSL to pay anything more than it's already offered Mr and Mrs H to put things right.

My final decision

Post Office Management Services Limited has already made an offer to pay £200 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that Post Office Management Services Limited should pay Mr and Mrs H £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 28 October 2025.

Nadya Neve
Ombudsman