

The complaint

Mr and Mrs D complained that Liverpool Victoria Insurance Company Limited (“LV”) failed to renew their home buildings insurance policy.

I’ll refer to Mr D for ease.

What happened

Mr D explained that his policy with LV had been set up to automatically renew on 25 December 2023. He said he called on 1 December to confirm the renewal was proceeding as expected. However, the business has since acknowledged that it didn’t renew the policy. Mr D said he only found out when he called LV again on 13 December 2024 to discuss his contents policy.

Mr D said he was without cover for a long period meaning his property was put at risk. Additionally, he explained that he had to spend time hastily arranging alternative cover when the issue came to light. Because of all this he complained to the business.

In its final complaint response LV explained that its call handler had cancelled Mr D’s policy renewal in error when he rang on 1 December 2023. The business apologised for its mistake. To acknowledge the trouble and upset it had caused it sent Mr D a compensation payment for £250.

Mr D didn’t think LV had treated him fairly and referred the matter to our service. Our investigator didn’t uphold his complaint. She acknowledged it was LV’s fault that Mr D’s policy wasn’t renewed. But she thought its apology and the compensation payment was enough to put things right.

Mr D didn’t accept our investigator’s findings. He didn’t think £250 was sufficient compensation. He referred to the potentially significant impact of not having insurance in place due to LV’s mistake. As he didn’t agree he asked for an ombudsman to consider his complaint.

It has been passed to me to decide.

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’m not upholding Mr D’s complaint. I’m sorry to disappoint him but I’ll explain why I think my decision is fair.

I’ve read the policy renewal pack that was sent to Mr D dated 25 November 2023. It explained that the policy was due to renew on 25 December. It confirmed that payment would be taken from the card Mr D had registered with his policy. If he wanted to opt out of autorenewal it explained that he had the option to do so.

Based on this information Mr D's policy was set up to automatically renew.

I've listened to the call from Mr D on 1 December 2023 to understand what was discussed prior to the renewal. The call lasts just under seven minutes. Mr D discussed making changes to his business cover and to the policy excess. He decided not to make any changes as he had the correct business cover and the cost of reducing his excess wasn't agreeable to him. The call ends with the understanding that the policy will renew in December.

Mr D said nothing to LV's agent that indicated he wanted to cancel the renewal. The business doesn't dispute that it was at fault here. So, I've considered the impact its mistake had on Mr D.

I acknowledge Mr D's comments that not having insurance in place left him at risk. He explained there was no guarantee he would be covered had a claim been necessary, even though LV acknowledged it was at fault. I've also considered his comments that £250 doesn't adequately reflect the significance of LV's error.

I understand the argument Mr D has made. But my role is to consider the proven impact LV's error had and to propose a fair resolution. I've seen no evidence that Mr D suffered a financial loss. There is no indication a claim was made or needed to be made during the period cover wasn't in place.

I accept that Mr D had to arrange alternative cover once the lack of insurance was identified. This caused him inconvenience. I also accept that Mr D was distressed by the thought of having no cover in place. I think it's fair that he's compensated for the inconvenience and distress. But having thought about this carefully, I think £250 represents a fair compensation payment. This broadly aligns with the approach our service takes when making awards in similar circumstances to this.

I understand Mr D will be disappointed. But I haven't seen evidence of an actual loss or other impact resulting from LV's renewal mistake. So I'm not persuaded that a higher award is justified. Because of this I can't fairly ask the business to do anymore.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and Mr D to accept or reject my decision before 15 March 2026.

Mike Waldron
Ombudsman