

## The complaint

Mr S has complained that Uinsure Limited told him it had put his Landlord Insurance policy on hold when he cancelled the direct debit for the premium with his bank, despite the fact he had paid the premium in full at the outset.

## What happened

Mr S's policy was arranged for him by Uinsure. The insurer was a different company who I'll refer to as A. Mr S paid the full annual premium for the policy to Uinsure when he took it out. But it seems the way Uinsure's system works meant he had to set up a direct debit to pay the premium when the policy came up for renewal a year later, because it was set to renew automatically. Mr S cancelled this direct debit with his bank. Uinsure were notified of this and sent Mr S a letter dated 19 March 2025 in which it said that because he had cancelled his direct debit instruction his cover with A had been put on hold. It went on to say that if he wanted to reinstate his policy Mr S needed to contact its customer service team.

On 21 March 2025 Uinsure sent an email to Mr S. In this email it said that it had been notified that he'd cancelled his direct debit instruction, but because he'd paid his premiums in full it had reinstated his cover with A. It went on to say that it believed his intention in cancelling the direct debit was to opt out of automatic renewal, so it had updated his preference to reflect this.

Mr S called Uinsure on 31 March 2025 to complain about receiving its letter of 19 March 2025. And he referred to receiving this letter on Saturday. So, I've assumed from what he said that he received it on Saturday 29 March 2025, some ten days after it was meant to have been sent by Uinsure.

Uinsure's agent explained to Mr S that his policy had been put on hold, but there had not actually been a break in the cover as its administration team had picked up that he had paid the premium in full. Mr S said he wanted to log a complaint and have it investigated. And he mentioned receiving the letter of 19 March 2025 had caused him distress. He also explained that he was concerned the property insured under the policy hadn't been covered for a period of time and that, if this was the case, he felt he should get a refund of the premium he'd paid for the period concerned.

Uinsure considered Mr S's complaint and issued a final response on 25 April 2025. In this it started by saying that Mr S's complaint had not been upheld. It explained that it had received a notification from his bank that he'd cancelled the direct debit instruction on 18 March 2025. And that this had generated its letter of 19 March 2025 telling him his policy had been put on hold. It then explained it had a process to check whether the premium for his policy had been paid in full. And when it saw that this was the case it had 'reinstated' the cover. It then mentioned that it had sent the email on 21 March 2025 confirming this had happened and that had no point had the property covered by the policy not been insured. It then acknowledged its letter of 19 March 2025 had caused Mr S concern and explained that the letter was written in such a way to encourage him to contact its customer service team to confirm the exact actions he wanted to take.

Mr S wasn't happy with Uinsure's final response and asked us to consider his complaint. One of our investigators did this. He said it should be upheld and that Uinsure should pay Mr S £150 in recognition of the distress caused to him when he received its letter of 19 March 2025.

Uinsure doesn't agree with the investigator's assessment and has asked for an ombudsman's decision. It has said that, while it acknowledges the concerns Mr S would have had on receiving its letter of 19 March 2025, it feels actions were taken as soon as reasonably possible after the letter was issued to ensure the policy was in place with no gap in cover and that this was confirmed to Mr S.

Mr S has also asked for an ombudsman's decision, although he hasn't said why he disagrees with the investigator's assessment.

### **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 decided to uphold it. I'll explain why.

It seems to me that this whole issue was caused by the way Uinsure's system works, which I think is unsatisfactory. I appreciate why Uinsure asks the customer to set up a direct debit even if they have paid the premium in full if their policy is set to renew automatically. I say this because I've presumed it needs to have a payment option in place to take the payment when the policy does automatically renew. And I accept Mr S might have agreed to his policy renewing automatically and setting up the direct debit, although it is not clear whether he was actually given an alternative option. However, once this has happened and the customer decides to cancel the direct debit, I do not consider it is appropriate for Uinsure to automatically send out a letter saying that the customer's policy has been put on hold and they need to contact it to reinstate it, when they have paid the premium in full. I appreciate this is what Uinsure's system is set up to do, but I simply don't think this is an acceptable approach and in line with its duty to treat its customers fairly.

I appreciate Uinsure sent an email out in an attempt to reassure Mr S that his policy had been reinstated and there hadn't been a break in cover. But there were three problems with this email as I see it. The first was that it seems Mr S received it around eight days before he received Uinsure's letter of 19 March 2025. The second was that it was not clear enough on what had happened and why. I say this because it didn't mention the letter Mr S had been sent on 19 March 2025. And it didn't explain that what had happened was due to the way its system worked. The third was that it did not explain that there had been no break in cover, as it said the policy had been reinstated, which I think gave Mr S the impression it had actually been cancelled and there was no cover in place for a short period of time. In addition, it didn't include an apology for any concern the letter of 19 March 2025 might cause or have caused Mr S.

So, I think when Mr S got the letter of 19 March 2025 he would have been distressed by it. And it is a shame that the agent he spoke with on 31 March 2025 didn't mention the email of 21 March 2025 that had been sent to Mr S, as it is not actually clear from the phone call whether he recalled receiving it at the point he called. From listening to the recording of the call, it does sound like Mr S knew his policy was in force at the point he called, which would suggest to me he had received the email. But this doesn't alter the fact that it would have been distressing and worrying for him when he got the letter of 19 March 2025, especially as he received it on a Saturday when I presume he was unable to contact Uinsure.

Mr S has explained to us that he has some health problems, which meant the distress he experienced on receiving the letter had a greater effect on him than might otherwise had been the case. And I think he should receive compensation for this distress in line with the level of distress and inconvenience we describe on our website as follows:

*If an error has caused the customer more than the levels of frustration and annoyance you might reasonably expect from day-to-day life, and the impact has been more than just minimal, then an apology won't be enough to remedy the mistake.*

We say this warrants compensation of up to £300. And, in Mr S's case, I think an award in the middle of this scale is fair, i.e. the £150 suggested by our investigator.

I appreciate Mr S has also mentioned wanting a refund of premium for the period his policy was on hold. But I do not consider this would be appropriate, as the reality is that whatever happened from an administrative point of view as far as Uinsure was concerned, as far as A was concerned there was no break in cover.

### **My final decision**

For the reasons set out above, I have decided to uphold Mr S's complaint about Uinsure Limited and I require it to pay Mr S £150 in compensation for the distress he experienced.\*

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 March 2026.

\* Uinsure must pay the compensation within 28 days of the date we tell it Mr S accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Robert Short  
**Ombudsman**