

The complaint

Mr L has complained about communication provided by Evolution Insurance Company Limited ('Evolution') in relation to his home emergency insurance policy.

What happened

Mr L had taken out home emergency insurance with Evolution in April 2024, and the cover was scheduled to start in May 2024 for 12 months. Mr L paid for the policy by monthly direct debit commencing 8 May 2024. Mr L said that all direct debits were paid on time, and the final amount was taken from his account on the 8 April 2025. Following receipt of a renewal offer document, Mr L decided not to renew the cover as the cost had increased significantly. Mr L checked with his bank that the final payment had been made and cancelled the direct debit to prevent the cover being renewed automatically from May 2025.

Evolution then sent communication to Mr L suggesting that the policy had been suspended or cancelled. Mr L complained to Evolution that it had failed to provide cover even though he'd paid all his premiums. He didn't think that it should automatically cancel a policy following cancellation of a direct debit and that it should change its policy in this respect. Evolution partially upheld Mr L's complaint due to incorrect information provided in an email from its renewals team about a final debit payment, and offered a refund equivalent to one month's premium, being just over £15. However, Mr L didn't consider that this was sufficient for the distress and inconvenience caused.

Mr L referred his complaint to this service; however, the relevant investigator didn't uphold the complaint as he considered that Evolution had responded to its service failing in a fair and reasonable manner. Mr L remained unhappy about the outcome of his complaint and so the matter was referred to me to make a final decision in my role as Ombudsman.

I issued a provisional decision in relation to this case in November 2025 as follows.

'[On] a provisional basis, I don't consider that Evolution fairly and recognised its service failings by paying a premium refund, and I provisionally uphold the complaint. I'll explain why. In reaching the decision, I've considered the parties' submissions as summarised below.

I turn firstly to Mr L's submissions. He said that he'd spoken to Evolution several times prior to 8 April 2025 indicating that he didn't wish to discuss renewing the policy due to the significant [increase] in cost. On 9 April 2025, Evolution left a message on Mr L's answer phone and also sent an e-mail at 18.16 to state that Mr L's policy had been suspended as he'd cancelled the direct debit. When he tried to contact Evolution that evening, the office had closed. The email indicated that the customer should click on a link in the email to reinstate the direct debit to ensure the suspension on the cover was removed that evening. Mr L did this accordingly, but he raised a complaint with Evolution, and its representative telephoned. When it became clear that the caller wasn't from the complaints team. Mr L asked that his call be redirected to the complaints team.

At this point, Mr L received a further e-mail from Evolution stating that his service contract had been cancelled and that a final payment would be debited on 29 April 2025. Mr L then

had further discussions with the complaints team who said that Mr L's cover hadn't been cancelled, but they refused to investigate his complaint about the e-mail that had been sent by Evolution 'unless I provided evidence it had been received'. Mr L's request to speak to a manager was also refused but a customer resolution team manager called back the following day and promised to investigate Mr L's concerns, which were partly upheld.

Mr L's request that Evolution amend its policy of automatically suspending cover when a direct debit was cancelled, even though no further payments were due, was refused. Mr L didn't accept the offer of compensation. On 19 April 2025, Mr L again cancelled the direct debit, having received confirmation that no further payment was due. Once again, Mr L received an email from Evolution stating that the cover had been suspended. This wasn't reinstated until Mr L raised a further complaint on 22 April 2025.

In conclusion, Mr L said that this matter had taken several emails and telephone calls to resolve. He felt that some of the information and explanations made by the various staff members of Evolution had been misleading. Mr L said that in suspending or cancelling his cover, Evolution hadn't complied with its own policy terms and conditions, and he maintained that he was unaware that cancelling the direct debit would trigger a notice of suspension.

I now turn to Evolution's response to Mr L's complaint. It noted the inconvenience caused to Mr L but stated that its system automatically marked Mr L's policy status as 'cancelled' when the direct debit was cancelled. It said that on the same day as the e-mail, its cancellations team had attempted to contact Mr L to discuss whether the cancellation of the direct debit was intentional, but it didn't receive a response. Evolution acknowledged Mr L's suggestion to modify its system 'so that cancelling a direct debit does not automatically change the policy status'. It said that while the system marked a policy in this way, this status didn't indicate that the policy itself had been cancelled. It instead triggered a process to attempt to contact the customer and, where required, reinstate the policy. It stated that it didn't therefore cancel Mr L's policy deliberately.

Evolution accepted that Mr L had received automated emails offering the option to reactivate the policy if the customer had mistakenly cancelled the direct debit and that Mr L had reinstated the policy utilising this process. It considered that its representative had assured Mr L that his policy would remain active until its renewal on 30th April 2025. It accepted that 'unfortunately, the follow-up email he sent included an incorrect statement indicating that a final premium would be collected on 29th April 2025'. Evolution sincerely apologised for this error and partially upheld this element of Mr L's complaint. It confirmed that no further payments would be taken from Mr L's account, and his policy had been opted out of automatic renewal. Finally, it apologised for any inconvenience caused by not transferring Mr L's call directly to the manager, however, it said that the representative acted in accordance with its procedures which required a callback to be arranged. As for Evolution's compensation offer, although Mr L had declined it, it said that it remained available should Mr L wish to accept it.

I now turn to my reasons for provisionally upholding this complaint. The starting point will be the terms and conditions of the relevant policy as these form the basis of the insurance contract between the customer and the insurer. I note that the policy states within the general conditions; 'Our default method is monthly direct debit paid by you on an agreed date each month. After successful collection, we'll provide the cover and services in your agreement up to the date of your next monthly payment'. It doesn't state that cancelling a direct debit would automatically trigger the suspension of a policy.

As for the letter dated 9 April 2025 which is central to the complaint, this is headed 'Your Heating Care policy has been suspended,' and states; 'Your bank has recently informed us that the Direct Debit for your policy has been cancelled. But don't worry, this is your chance

to regain the incredible protection and benefits of your Heating Care coverage'. The letter goes on to say; 'If you've had second thoughts, or maybe you didn't even realise your Direct Debit had been cancelled, there's no need to worry. We've made it super easy to reactivate your policy and ensure you stay protected. All it takes is one click of the button below'. It then states; 'Don't miss out on this fantastic opportunity to keep your Heating Care cover in place. Click now and step back into the world of worry-free protection!'

I consider that the wording of this letter is misleading. It gives the clear impression that not only had the direct debit been cancelled but it also clearly infers that the cover itself had been suspended or cancelled due to the use of the words 'regain...protection' and 'reactivate your policy'. I appreciate that Evolution tried to contact Mr L by telephone on the same day to discuss the matter and it also subsequently re-assured Mr L that cover remained in place. Nevertheless, this doesn't alter the fact that Evolution had sent misleading automated correspondence which would lead the customer to believe that emergency cover had ceased and that he had to reactivate his direct debit to benefit from cover. This communication was then subsequently sent again. I'm therefore provisionally persuaded by Mr L's submission that the errors not only caused unnecessary inconvenience 'but also required [him] to contact the company each time to resolve the issue, which was disruptive and frustrating'.

I consider that the correspondence would inevitably cause confusion and frustration, particularly as the service error was repeated, and Mr L was inconvenienced in having to contact Evolution to resolve the issues. Evolution's automated correspondence unfortunately appears not to have factored in the entirely legitimate cancellation of a direct debit and continuation of the policy following final payment. Mr L was proactive in cancelling his direct debit as soon as his final payment been made and he was entirely within his rights to do so and to manage his affairs in this way.

I appreciate that Evolution provided an offer of reimbursement of the equivalent of a month's premium to Mr L to recognise a specific error in one of its letters, however I consider that the misleading nature of its communication of 9 April 2025 and subsequent communication posed a more serious error and inevitably caused confusion and inconvenience to Mr L. On a provisional basis, I therefore consider that compensation in the sum of £100 would fairly and reasonably recognise the impact of Evolution's actions. Whilst it's not the remit of this service to dictate Evolution's policies and processes, Evolution will no doubt wish to review its automated correspondence, depending upon the final outcome, to ensure that customers in similar circumstances to Mr L don't receive misleading correspondence.'

The parties were then provided with an opportunity to respond to this provisional decision by providing further submissions or evidence.

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.

Evolution didn't provide further submissions or evidence in response to the provisional decision. Mr L confirmed that he was happy to accept the provisional decision. He made a further comment relating to the wording of the provisional decision as follows; '*Evolution will no doubt wish to review its automated correspondence, depending upon the final outcome, to ensure that customers in similar circumstances to Mr L don't receive misleading correspondence.*' He asked that the decision be shared with the Finance Conduct Authority '*for action under their Consumer Duty remit*'. The remit of this final decision, however, is to determine whether the insurer has acted in a fair and reasonable manner, and I'm satisfied that it hasn't done so acted in all respects and I'm also satisfied that Evolution must pay Mr L compensation of £100 regarding the distress and inconvenience caused to Mr L. Any further

action is outside the scope of this particular process.

In conclusion, I'm satisfied that this provisional decision provides a fair and reasonable outcome to this matter, and I uphold Mr L's complaint.

My final decision

For the reasons given above, I uphold Mr L's complaint and I require Evolution Insurance Company Limited to pay total compensation of £100 to Mr L in response to his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 19 January 2026.

Claire Jones
Ombudsman