

The complaint

Mr V and Mrs K complain about the response of Red Sands Insurance Company (Europe) Limited ('Red Sands') to their home insurance complaint.

Red Sands are the underwriters (insurers) of this policy. Any reference to them in this decision can be interpreted as covering the actions of any agents they've confirmed were working on their behalf.

What happened

The background to this complaint is well known to Mr V and Mrs K. I won't repeat in detail what's already known to both parties. Instead, in my decision I'll focus on what remains in dispute and the reasons for reaching the outcome that I have.

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.

I'm sorry to hear of the impact of this fire loss event on Mr V and Mrs K.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

The scope of this decision

I will be considering events up until the complaint was referred to our Service on 25 September 2025. Usually, the 'cut off' would be the date of the final response letter which led to the complaint being referred, but I can't see that a final response letter was issued by 25 September 2025, despite Red Sands being given a fair opportunity to issue one.

On 26 November 2025 and *after* our Investigator's assessment, Red Sands issued a new final response. Should Mr V and Mrs K remain dissatisfied or have issue with the claim settlement - they have the option of referring that complaint to our Service as a new complaint. That is their own choice to make.

I'm only considering the actions of Red Sands and their agents, not any agent or representative appointed on behalf of Mr V and Mrs K.

My key findings

I uphold this complaint, for broadly the same reasons our Investigator outlined.

In response to our Investigator's assessment, Mr V and Mrs K said:

"1) your compensation is welcome but what we need is resolution of the claim:

- 2) we are under significant financial and mental strain and need this claim paid out ASAP:
- 3) our comments below re the inaccuracies / lies from the insurance do not seem to be being considered and
- 4) the house is currently insured so if something were to happen, it would spell financial ruin for us.”

It's clear that the outstanding claim (points one and two above) are the main part of Mr V and Mrs K's dispute and their reason for requesting a final decision. As outlined above and previously explained on several occasions by our Investigator - that's not being considered as part of this decision. It's also not the role of our Service to determine a claim settlement figure, or set deadlines for settlement. Instead, it's our role to decide if on balance, Red Sands have fairly and reasonably responded to the claim in line with the policy terms. I've also considered the service provided when doing so. Should there be further delays in the progression of the claim to settlement, that would be something Mr V and Mrs K would first need to raise with Red Sands before our Service could potentially investigate those issues.

In relation to point three above, I have considered afresh the evidence provided by both parties in this complaint. It's clear that Red Sands accept there were failings on their part by way of their acceptance of the Investigator's recommendation to pay £700 compensation. There were avoidable delays to the progression of this claim for which Red Sands will need to compensate Mr V and Mrs K. Whilst keeping our guidelines for these types of awards in mind, I've also had to keep in mind that there were claim delays that Mr V and Mrs K/their representative contributed towards. I won't be awarding interest on any claim settlement (yet to be reached, as of the date of referral) as I don't seek to potentially prejudice Mr V and Mrs K's future position or claim.

Regarding point four above, I've queried the renewal with Red Sands and they've told us (bold added for Ombudsman's emphasis):

*“We can confirm that **a renewal invite was sent** to the customer on 26/02/2024 this also advised that the policy is set to auto renew and payment will be attempted within seven days of the renewal date using the previously used payment method. Unfortunately, we were unable to auto renew, this can be for reasons such as the card has since changed or insufficient funds. **We emailed them on 23/03/2024 to advise that we have been unable to auto renew along with a link for them to manually renew the policy.**”*

A reminder was sent to them on the 24/03/2024 and 28/03/2024, again also including the link for them to renew this manually. A final reminder was sent on 29/03/2024 to let them know that the policy had now lapsed and again a link to renew the policy. It appears the customer chose not to renew with us.”

Red Sands also provided screenshots of correspondence sent to Mr V and Mrs K, including the email dated 29 March 2024 in which they let them know the insurance policy had lapsed and details about how to reinstate the policy. Overall, I find no issue with Red Sands' actions at renewal. Mr V and Mrs K would need to take independent advice on obtaining cover elsewhere where there is an open claim. I'm unable to consider or comment on the decision of any third-party insurers when choosing to not offer cover.

Considering Mr V and Mrs K's recent comments and what is at the heart of their dispute with Red Sands, I've no doubt that my decision will disappoint them. But it ends our Service's involvement in this part of their dispute with Red Sands.

Putting things right

If Red Sands Insurance Company (Europe) Limited haven't already done so, I direct them to pay Mr V and Mrs K a total of £700 compensation in recognition of service failings.

My final decision

My final decision is that I partially uphold this complaint. Subject to Mr V and Mrs K accepting the decision before the deadline set below, I direct Red Sands Insurance Company (Europe) Limited to follow my direction as set out under the heading '*Putting things right*'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V and Mrs K to accept or reject my decision before 6 May 2026.

Daniel O'Shea
Ombudsman