

## **complaint**

Ms R is unhappy that Swinton Group Ltd (Swinton) allowed her home insurer to cancel her policy.

## **background**

Ms R bought a new home insurance policy through a comparison website. When Swinton, as the brokers, set up the policy the insurance company soon told Swinton that there was a previous claim that hadn't been noted when the policy was set up. During discussions Ms R told Swinton that she had confirmed the details in telephone conversations at the point when she took out and paid for the policy. Swinton's records showed that the policy had been set up entirely online and no discussions had taken place until the policy was up and running. The matter didn't get resolved and eventually insurers insisted that policy cover should be cancelled and Swinton arranged this. Ms R didn't accept this and asked for the cancellation to be revoked as she didn't want to have to disclose this on all future policies. She brought her complaint to this service.

Our adjudicator upheld the complaint in part. She said that it did appear that the setting up of the policy had been done online and that Swinton's documentation had asked clear questions. But she did feel that Swinton hadn't acted reasonably over the cancellation arrangements and the complaint handling. Our adjudicator said Swinton should compensate Ms R £100 for the distress and inconvenience caused.

Swinton didn't accept this and requested that the complaint be passed to an ombudsman for a final decision.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

There is some dispute over the set up of the policy. Although I have no reason to doubt what Ms R said she does accept that she may have had a conversation with someone from the comparison website rather than Swinton. Either way, Swinton are adamant that it didn't speak to Ms R until the welcome call was made. Further, Swinton has produced screenshots to show the difference between policies set up on line and those where final set up has been done on the phone. On balance, Swinton's details here are persuasive and I accept that it's most likely that the policy was taken out online.

It's accepted by the parties that a telephone conversation did take place shortly after set up although Swinton point out this was purely as a welcome discussion. It said the call was to point out things such as policy excesses and that no discussion about previous claims took place.

A week or so later insurers notified Swinton about the claim that it said was a non-disclosure (details that should have been provided from the start). Swinton wrote to Ms R asking her to make contact. It followed this up a little while later with a reminder confirming that if Ms R took no action it could lead to the policy being cancelled.

After this there were conversations about previous calls and Ms R said she had disclosed the details over the phone. Swinton agreed to check previous records and told Ms R that she

would shortly be issued with details of cancellation if the claim details weren't added to her policy. It said if details were added the policy could carry on.

A few days later further discussions confirmed no recordings of sales or a welcome call could be found. But Ms R still needed to update her new policy details with the claims details. Ms R remained adamant that she had already disclosed her claim and wanted to take the matter further with a complaint. Nobody from Swinton's complaints department contacted Ms R and she didn't make further contact with it.

A month later the policy was cancelled after insurers requested it due to the non-disclosure. After the cancellation a letter was eventually sent to Ms R to notify her of this.

Swinton didn't provide our adjudicator with the online questions it asks when the policy was being set up. But our adjudicator checked herself and found these questions:

- *"Have you or anyone living at the property had any claims or losses in the last 3 years?"*
- *"How many years continuous no claims discount have you earned on your Buildings Insurance?"*

I accept that these are clear questions and based on the statements produced following this I understand why insurers and Swinton acted to cancel the policy. Despite Ms R's insistence it does appear that non disclosure occurred. The counter argument that Ms R noted zero years no claims discount was dealt with by Swinton. It said that could just mean no policy had been in place previously – I agree with this point.

I also accept that Ms R could have resolved all of the concerns by just noting the detail of the claim on her records. But it's clear Ms R wasn't happy with this, it's clear that she complained about it and most importantly despite stating cancellation was likely she wasn't informed this had happened until after it was done.

Swinton has said it acted on behalf of the insurers and this is a valid point, but despite threatening cancellation it never notified Ms R it was going to do this until after it had done it. This is unreasonable and unfair.

Also despite it being clear that Ms R wanted to deal with this issue through a complaint Swinton took no more action to deal with the matter as a complaint. I find this to be unfair as the outcome now is that Ms R must tell insurers about the cancellation every time she asks for a quotation. Also she had to urgently look for other cover once she was aware that her policy had already been cancelled without her prior knowledge. Ms R would have been under the impression that she had made a complaint and that Swinton was going to deal with the issues as part of that complaint. Swinton can't do what Ms R wants and that is to revoke the cancellation. As it points out the cancellation is something the insurer insisted upon. However, Swinton could have handled this much more effectively and dealt with the complaint and the issue more reasonably at the time. The impact on Ms R has caused her distress and inconvenience and in view of the problems Swinton should pay her £100 in compensation. I understand that Swinton did waive charges for the time Ms R had the policy but still that isn't enough to deal with the overall issues of the cancellation and the complaint handling in this case.

### **my final decision**

I uphold this complaint in part.

I require Swinton Group Limited to:

- pay £100 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms R to accept or reject my decision before 30 October 2015.

John Quinlan  
**ombudsman**