

complaint

Mr and Mrs C have complained that Santander UK Plc mistakenly cancelled their buildings insurance so that they had no cover from 1998.

background

Mr and Mrs C first took out their mortgage in 1991 and arranged a 'Homepack' policy at the same time that included both buildings and contents insurance. They say that in 1998 they decided to upgrade their contents insurance and so cancelled the original contents policy. But as far as they were concerned they kept the buildings insurance with their mortgage. In 2015 they tried to make a claim following a fire at their house and were told that they only had contents insurance.

Our adjudicator didn't uphold Mr and Mrs C's complaint. He thought that they should have been aware from various correspondence sent by Santander that they didn't have buildings insurance. Mr and Mrs C disagree and so the complaint has been passed to me for a decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Due to the amount of time that's elapsed, there's only a limited amount of paperwork available. So it's difficult to build up a full picture of what might have happened in 1998. Santander has a signed note from Mr and Mrs C from 1 March 1998 in which they state they wish to cancel their contents insurance. They were then sent a revised insurance schedule for buildings cover only. Then there is a telephone note from later in March 1998 saying Mr and Mrs C had rung to: *'Please cancel Buildings as requested. Homepack should have been cancelled but contents just got cancelled'*.

This suggests that Mr and Mrs C meant to cancel both the buildings and contents elements of their policy. But when they received a revised schedule, they realised that they hadn't cancelled the buildings part of it and so phoned up to do so. Or maybe they had intended to only cancel the contents insurance but had a change of heart and decided to cancel the buildings cover as well. However Mr and Mrs C said that they never rang Santander in 1998 to cancel the buildings policy. Overall I don't have enough evidence to conclude that the buildings policy was cancelled in 1998 due to a mistake by Santander. From what I've seen, it looks more likely that Mr and Mrs C took steps to cancel it.

Regardless of what happened in 1998, Santander says that it should have been clear to Mr and Mrs C that they didn't have buildings insurance, due to correspondence sent to them over the intervening years.

Santander has provided copies of renewal notices sent to Mr and Mrs C from 2010 onwards. These highlight the importance of checking the documentation. The associated insurance schedules state that they are not covered for buildings insurance. Mr and Mrs C say that they wouldn't expect this document to say anything else, because they believed it to be a separate contents policy, whilst their buildings policy remained with their mortgage.

So Mr and Mrs C thought that they had buildings insurance that was paid for as part of their monthly mortgage payment. But I would have expected them to query why they hadn't received any renewal notices for this since 1998, whilst they received annual notices for their contents policy. Also, there would have been no mention of buildings insurance, or any premiums taken, in their mortgage statements. Again I would have expected them to query this.

Mr and Mrs C say they spoke to someone at Santander who said that the cancellation must have been a clerical error on its part some years ago and therefore the claim should be honoured. But this person would have just been speculating and her comments weren't based on any investigation of the events.

As I've said, I haven't seen any evidence to suggest that Santander were at fault in cancelling the buildings insurance in 1998. I also agree with our adjudicator that Santander acted reasonably with regard to making Mr and Mrs C aware that the cover they held with it didn't include buildings insurance. It follows that I don't uphold their complaint.

my final decision

My decision is that I do not uphold Mr and Mrs C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs C to accept or reject my decision before 8 February 2016.

Carole Clark
ombudsman