

complaint

Mrs A is unhappy Royal & Sun Alliance Insurance Plc (RSA) cancelled her buildings and contents insurance policy without letting her know. She is represented by her son Mr A.

background

Mrs A has had a number of issues with RSA and her buildings and contents policy. Our service has already looked into two of these. I've given a brief summary of these below.

Mrs A submitted a claim to RSA after being the victim of a burglary. When assessing the claim, RSA noted Mrs A was underinsured; she didn't have sufficient cover for all her contents. It told her that her claim wouldn't be paid in full. Unhappy with this, Mrs A brought her complaint to this service. The complaint was resolved by final decision.

Following this, Mrs A wanted to cancel her policy with RSA. However, because there was an ongoing claim, RSA said she couldn't cancel the policy. Unhappy with this, Mrs A brought her complaint to this service. This complaint was resolved by one of our investigators.

This complaint is about RSA later cancelling Mrs A's policy, believing this was what she wanted. Although this was something Mrs A had previously tried to do, she was unaware the policy had been cancelled. This meant she was uninsured for a period of time.

RSA recognised its mistake and offered to reinstate Mrs A's policy so she wouldn't have a break in cover. It also offered to pay her £100 compensation to recognise the trouble and upset she would've experienced upon finding out she had no cover and the trouble of trying to sort the problem out.

Mr A, on behalf of Mrs A, didn't feel this was sufficient and brought the complaint to our service.

One of our investigators reviewed the complaint. He thought RSA had recognised its mistake and had tried to put things right. He was satisfied that the compensation offered by RSA recognised the trouble and upset Mrs A had experienced and didn't think RSA needed to do anything else.

Mr A, on behalf of Mrs A, disagreed. He felt that the compensation fell short of recognising the trouble Mrs A had experienced with RSA. He said that the cancellation of the policy left negative marks against Mrs A's name, leading to an increase in the cost of the policy. Mr A felt compensation of £1,000 would be sufficient to compensate Mrs A for the problems she'd had.

my findings

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 reached the same conclusion as our investigator for the same reasons.

It's not the role of the Financial Ombudsman Service to punish a business for its mistakes. Instead we look at individual complaints and decide what should happen in the circumstances, based on the merits of that complaint only. I recognise that Mrs A has had to

refer other complaints about RSA to us, and although I've read the files of these complaints, I can't take them into account when I make a decision on what RSA needs to do to put things right in this complaint.

When looking at complaints, I have to look at what went wrong and make a decision on what needs to happen to put things right. Any resolution I recommend should put customers back in the position they would've been in if the business hadn't made a mistake.

RSA accepts that it shouldn't have cancelled MRs A's policy in the way it did. This means I only need to consider what needs to happen to put things right. If RSA hadn't cancelled Mrs A's policy, she wouldn't have had a break in cover. Therefore, records need to be amended to reflect that she did have cover during this time. Although Mrs A hasn't had to claim during the period she wasn't insured, it could have an effect on future claims. This could be important if it's believed that the damage or loss being claimed for occurred during the period when insurance wasn't in place. RSA had already agreed to do this and I think that this is fair.

Mr A has also said that the cancellation of the policy put a negative mark against Mrs A's name and increased the cost of her insurance. Policies like Mrs A's are cancelled on a regular basis. This could be due to insurance becoming unaffordable, or the thing being insured no longer needing cover. In these circumstances no negative marks would be left against a consumer's name. RSA have confirmed that there have been no negative marks recorded against Mrs A.

The cost on insurance may increase for a number of reasons, such as claims being made. Insurance premiums may also increase when a high number of claims in the same area have been made for a particular risk. A rise in burglaries in Mrs A's area would be an example of this. Therefore, despite the cost of Mrs A's policy increasing, RSA have told me this wasn't due to the cancellation of her policy.

RSA has offered Mrs A £100 compensation to recognise the trouble and upset the cancellation of her policy caused her. Having considered it, I think that RSA's offer is fair in the circumstances and I won't be asking RSA to do anything else to resolve this complaint.

my final decision

For the reasons given I won't be asking Royal and Sun Alliance Insurance Plc to take any further steps to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 10 July 2017.

Michael Fisher
ombudsman