

The complaint

Mrs L complains as an Executor of the estate of Ms L about esure Insurance Limited's ("esure") refusal to provide cover for home insurance.

What happened

Mrs L says, after Ms L passed away, the home insurance for the estate property came up for renewal but esure refused to provide cover unless Mrs L, or one of her siblings - and beneficiaries, also insured their main residence with esure. Mrs L felt this was unfair, so she complained. Esure responded and explained the proposal put forward to Mrs L was in line with their underwriting criteria, and if this proposal wasn't acceptable then they weren't able to offer cover.

Our investigator looked into things for the estate of Ms L. She thought esure hadn't acted unfairly in not providing cover. Mrs L disagreed so the matter has come to me for a decision.

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.

Having done so, I've decided not to uphold the complaint. I understand Mrs L will be disappointed by this but I'll explain why I have made this decision.

I think it's important to firstly clarify, it's for a business to decide what risks they're prepared to cover and how much weight to attach to those risks - different insurers will apply different factors. That's not to say an insurer refusing to provide cover has made an error compared to an insurer offering cover – but rather, it reflects the different approach they've decided to take to risk. Insurers have underwriting criteria which sets out the risks they consider acceptable.

It's not the role of this service to direct a business on what their underwriting criteria should be, or what risks they should accept. This is a commercial judgement and for them to decide. But we can look to see whether we agree a consumer has been treated fairly – so is there anything which demonstrates they've been treated differently or less favourably. If we think someone has been treated unfairly, we can set out what we think is right to address this unfairness.

In this case, Mrs L is an executor and, together with her siblings, a beneficiary under the late Ms L's Will. Mrs L says her complaint isn't just about esure refusing cover, but that Ms L passing away has led to them refusing insurance cover. Mrs L says esure were happy to provide cover for the estate property if either she, or one of her siblings – as beneficiaries, insured their main residence with esure. Mrs L feels this amounts to blackmail.

I do acknowledge Mrs L's points and concerns, but I don't think esure have acted unfairly here. As mentioned above, a business is able to exercise their commercial judgement when

determining their underwriting criteria – but we would expect a business to treat customers fairly. Esure have provided me with confidential business sensitive information – in this case an extract of their underwriting criteria which covers the specific risk here - to support their reasons for refusing to provide cover. I'm afraid I can't share this with Mrs L because it's commercially sensitive, but I've checked it carefully.

I can see esure asked Mrs L a series of questions to help determine whether a policy could be offered. Esure have provided information which shows why these questions were relevant to their underwriting criteria. Mrs L responds to these queries and esure then explain cover can be provided but only on the condition Mrs L, or one of the other joint owners of the estate property, also hold cover for their main residence through esure. I've looked at the underwriting criteria and the proposal put forward to Mrs L is in line with this.

I acknowledge Mrs L feels this amounts to blackmail, but I can't say esure are treating her unfairly here. The terms proposed by esure are set out in their underwriting criteria, so it applies to all customers in the same circumstances. I acknowledge Mrs L says the estate property was previously insured by esure and it's unfair that Ms L passing away has now led esure to refuse to provide cover. I do acknowledge Mrs L's concern here but it's the change in circumstances – and something which is supported by the underwriting criteria – which has led to esure's position here. Where there has been a change in circumstances, an insurer will review the risk and assess whether they're still prepared to provide cover until the end of the policy term or whether to continue cover and assess any risks brought about by a change in circumstances at renewal. In this case, and while I accept esure still provided cover between Ms L passing away until the end of the policy term, that doesn't mean it's unfair for them to reassess any risk at the point of renewal.

I can see Mrs L is also concerned she has received a 'refusal to insure' letter. For the reasons I've already mentioned, I can't say esure's decision to refuse to provide cover was unfair or has led to Mrs L being treated differently to any other customer in the same circumstances.

I wish to reassure Mrs L I've read and considered everything she has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Ms L to accept or reject my decision before 9 February 2024.

Paviter Dhaddy
Ombudsman