

The complaint

Ms G complains that Aviva Insurance Limited has unfairly removed contents in storage cover from her home insurance policy and didn't let her know. She's also unhappy she now has to pay extra for this cover.

What happened

Aviva is the underwriter of this policy so I've referred to it throughout as it is responsible for this complaint.

The background to this complaint is well known to the parties so I've provided a summary here.

- Ms G had a home insurance policy underwritten by Aviva. In previous years, this included cover for some items she held in storage away from her home. But in the renewal year 2022 to 2023, the cover was removed.
- Ms G only became aware of this when she moved her contents from one storage site to another and the new storage site asked to see details of her insurance cover.
- When Ms G made enquiries with Aviva, she was told the contents in storage cover was now an add-on to the policy and a higher premium of around £330 would be charged.
- Ms G complained to Aviva about the lack of communication about the withdrawal of cover and the increased premium she would have to pay to have the add-on. Aviva explained it reassessed the cover available under the policy each year at renewal and it asked policyholders to check policy documentation to ensure cover still met their requirements. It confirmed the increased premium and explained this couldn't be reduced. But it paid Ms G £50 as a gesture of goodwill and said it would pass on feedback.
- Ms G raised a complaint with this Service. Our Investigator considered the evidence but didn't uphold the complaint as she said Aviva was free to make changes to cover at renewal and she was satisfied the premium increase had been calculated correctly. She thought Aviva should have communicated the cover changes more clearly but thought the £50 it had already paid was fair in the circumstances.
- Ms G asked an Ombudsman to make 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.

The removal of contents in storage cover

- An insurer is generally free to decide the terms of a policy and the cover provided under it. In this case, Aviva made the decision not to offer this cover as standard at renewal following a change in its underwriting criteria. This was a commercial decision which I wouldn't interfere with.
- Aviva has said it asks policyholders to check renewal policy documentation to ensure cover is still appropriate for their needs and this would have highlighted to Ms G the change in cover. But Aviva has seemingly accepted it made an error when it didn't inform Ms G about the removal of the contents in storage cover. It's apologised for this and paid her £50.
- Having considered Ms G's testimony, it's clear the error caused Ms G distress and inconvenience. Having considered everything carefully, mindful of our general approach to compensation, I'm satisfied this offer is an appropriate way for Aviva to recognise its error. I realise Ms G doesn't think this is enough, but I'm satisfied it's fair and reasonable in all the circumstances.

The premium for the contents in storage cover

- Following the change in cover provided at renewal, Aviva told Ms G she could purchase contents in storage cover as an add-on for a premium of around £330, but she didn't think this was fair.
- It's up to Aviva to decide how much it charges for this cover. I've carefully considered its commercially sensitive underwriting criteria on this issue and am satisfied the premium for this add-on has been calculated correctly and in line with these guidelines. I'm also satisfied Ms G hasn't been treated any differently than other consumers requesting this add-on in the way the premium has been calculated.
- I don't think it would be fair or reasonable to require Aviva to waive the premium for this cover as a consequence of its communication error, for which it has already paid appropriate compensation.

Conclusion

- For the reasons I've explained above, I won't be asking Aviva to do any more on this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 18 August 2023.

Paul Phillips
Ombudsman