

The complaint

Mr W and Ms H are unhappy Sesame Limited (Sesame) sent documents about their commercial let property insurance to the insured property, rather than their home address, which resulted in them being unaware the policy had ended.

What happened

Mr W and Ms H own a property which is let out to tenants. They insured the property via Sesame for a number of years.

In February 2022 Mr W and Ms H discovered insurance premiums hadn't been collected since October 2021 so they contacted Sesame. After discussion with Sesame, and the administrators acting on behalf of Sesame, Mr W and Ms H discovered that their insurance documents had been sent directly to the tenanted property rather than their home address.

Within these documents, Sesame had written to explain the policy couldn't be renewed and would end on 31 October 2021 as the underwriter had withdrawn from the market. The documents also outlined who could be contacted to arrange an alternative policy.

Mr W and Ms H are unhappy correspondence had been sent to the risk address as they say it breached their confidentiality, and that as the property was consequently uninsured for several months without their knowledge, something severe could have happened.

Mr W and Ms H asked this service to look into their complaint.

Our investigator looked into things. Initially there was confusion about who the complaint should be against, as there was a change of administrator acting on behalf of Sesame, and Mr W and Ms H had been directed by Sesame directly to the administrators.

Following communication with Sesame and the administrators, our investigator explained that as the administrators were acting on behalf of Sesame, Sesame was ultimately responsible for the complaint.

Our investigator then considered the complaint and what happened. She said that when the administrator acting on behalf of Sesame changed, the new administrator was only given the risk address, rather than Mr W and Ms H's home address. This meant the documents were sent directly to the insured property rather than to Mr W and Ms H.

Whilst the investigator recognised it would have been distressing for Mr W and Ms H to discover the property was uninsured, fortunately no claim or loss had arisen, and she said she wouldn't be recommending compensation for something which could've but didn't happen.

In addition, she also noted Mr W and Ms H had said their confidentiality had been breached, but she thought no personal information about Mr W and Ms H had been disclosed, beyond details which the tenant was likely already aware of. So, our investigator didn't recommend Sesame pay compensation or do anything further.

Mr W and Ms H didn't agree and asked for a final decision from an ombudsman.

I reached the same overall outcome as our investigator, but there were some additional reasons. Therefore, I issued a provisional decision, to give both parties an opportunity to comment on my initial findings before I reached my final decision.

What I provisionally decided – and why

In my provisional decision, I said:

"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 provisionally reached the same overall outcome as our investigator. However, there are some additional reasons for doing so. Therefore, I'm issuing a provisional decision, to give both parties an opportunity to comment on my provisional findings before I reach my final decision.

Mr W and Ms H's let property was insured via Sesame for a number of years. In 2018, the administrator acting on behalf of Sesame changed. During the transfer of administrator, only the risk address was passed between the two administrators and the new administrator wasn't aware the correspondence address differed. As a result, documents were sent directly to the insured property from then onwards. This included the renewal documents, and several notifications in 2021 that Sesame was unable to arrange cover from renewal in November 2021 as the underwriter had withdrawn from the market. The policy then lapsed on 31 October 2021.

In February 2022 Mr W and Ms H noticed insurance premiums hadn't been taken since October 2021 and when contacting Sesame (and the administrators), they discovered the policy had lapsed. Mr W and Ms H have asked for compensation because the property was left uninsured, and something could have happened to it.

Like our investigator, I'm not minded to direct Sesame to pay compensation on the basis something could have happened. This is because, fortunately, nothing did happen so Mr W and Ms H haven't suffered a financial loss as a result. However, I do recognise it would have been distressing to find out the property hadn't been insured for several months.

However, as soon as Mr W and Ms H were aware, they would have been able to insure the property elsewhere to immediately make sure they had the cover they needed. So, whilst I recognise it would have been distressing at the first point of discovery, I'm not minded to direct Sesame to pay compensation for this, as Mr W and Ms H would have been able to arrange alternative cover at that time of discovery, and by this point they already knew there fortunately wasn't any loss or damage to their property.

Furthermore, Mr W and Ms H are unhappy they didn't receive the policy lapse notifications in October 2021. However, the change of administrator had happened in 2018, so any documents after that point would have gone to the risk address, not to Mr W and Ms H either.

This means that along with the lapse notifications in 2021, Mr W and Ms H also likely wouldn't have received renewal documents for around three years before this. Whilst I note it was not paying premiums since October 2021 that led Mr W and Ms H to contact Sesame (three months later), I do also need to take into account that they likely hadn't received any correspondence about the insurance policy or property from Sesame for several years.

Given the insurance cover was something they were paying for, and to cover a property they owned and let out to tenants, it may have been reasonable for Mr W and Ms H to have contacted Sesame to query this in the interim if they hadn't received documents for several years, despite paying premiums for insurance cover.

Mr W and Ms H are also unhappy as they say by sending documents to the risk address, Sesame has breached their confidentiality with their tenants.

I asked Sesame for all the documents sent since the transfer in 2018, but they were only able to provide the renewal documents from 2020 and a copy of the policy ending letters from 2021. They've been unable to provide copies of correspondence from before then as they do not retain copies. So, whilst I can't review all the documents that were sent to the risk address, I've been able to review the renewal documents from 2020.

These documents outlined Mr W and Ms H as the policyholders. And given they were landlords of the tenants, this is information the tenants likely already knew. From what I've seen, there was no other personal information contained in the documents such as date of birth, medical information or bank details. So based on what I've seen, the personal information in these documents about Mr W and Ms H was very limited.

The documents did include details about the property, and the cover the insurance policy provided along with the price. But I also need to take into account the documents weren't addressed to the tenant. So, in order for the tenant to see this information, they would've needed to open post not addressed to them.

But in any event, Mr W and Ms H haven't provided anything to demonstrate any negative impact or detriment that this caused if in fact the tenants did open post not addressed to them, which had very limited details. So, I'm not minded to direct Sesame to compensate Mr W and Ms H for this."

So, I said I wasn't minded to uphold the complaint.

The responses to my provisional decision

Sesame responded and said they agreed with the provisional decision and had no further comments to make.

Despite agreeing to extensions to the deadline for a response, Mr W and Ms H didn't provide a response or any comments prior to the final deadline that was given.

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.

And I've thought carefully about the conclusions I came to in my provisional decision. Having done so, and as neither party has provided anything which would lead me to depart from my provisional findings, my final decision remains the same as my provisional decision, and for the same reasons.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Ms H to accept or reject my decision before 1 September 2023.

Callum Milne
Ombudsman