

The complaint

Mr and Mrs S complain that Society of Lloyd's decided not to renew their park home insurance policy.

What happened

- Mr and Mrs S bought a park home on a site and took out an insurance policy underwritten by Society of Lloyd's, which started in November 2019. The policy is administered by a firm, which I'll call C, on behalf of Society of Lloyd's.
- The policy provided cover for their home and contents, together with legal expenses cover under a separate section with a different underwriter.
- In March 2020 Mr and Mrs S obtained legal advice on a dispute regarding the home. They made a claim on their legal expenses cover. There were several different potential claims relating to the layout and condition of their home and the park home site in general.
- The policy was renewed in November 2020.
- In 2021 Society of Lloyd's became aware of the problems but said it would renew the policy in November as it wouldn't be reasonable not to renew at that point. It was hoped the various issues could be resolved.
- Society of Lloyd's decided not to offer renewal in 2022. When Mr and Mrs S complained about this it said this was a commercial decision not to cover their home or any other park homes on the site due to the risk involved; the park site as a whole was excluded as being too high risk due to breaches of fire regulations and park home regulations.
- When Mr and Mrs S referred the complaint to this Service our investigator said Society of Lloyd's' decision was in line with the policy terms and was fair. They disagree and have requested an ombudsman's 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.

- Mr and Mrs S made a number of claims on the legal expenses section of the policy. They have referred to those claims in their comments on this complaint but they are different matters and we have considered complaints about those claims separately. This complaint only concerns the decision not to renew the policy in November 2022. So that's all I can consider.
- An insurer can generally choose whether to provide a policy; it's for the insurer to decide whether it wishes to accept any risk and if so how much it wishes to charge

for doing so and what terms it wants to offer. These are commercial decisions for the insurer. But I can consider whether the insurer has acted fairly and in accordance with the policy terms and conditions.

- The policy wording says C will contact the policyholder in writing at least 21 days before the renewal date and either give them an opportunity to renew the insurance for a further year (and if so explain any changes to the policy and confirm all the details are correct) or it will -

... let You know that We are unable to renew Your insurance. Reasons why this may happen include, but are not limited to the following:

- i. when the product is no longer available; or*
- ii. when We are no longer prepared to offer You insurance for reasons such as:*
 - *We reasonably suspect fraud,*
 - *Your Claims history,*
 - *We have changed Our acceptance criteria,*
 - *You are no longer eligible for cover...*

- Society of Lloyd's has explained that the policy wasn't renewed because underwriters could no longer provide insurance for any of the homes on the site. It took the view the risk was too great in view of the various problems at the site.
- Society of Lloyd's had considered this at the previous year's renewal but decided it wouldn't be fair to remove cover at that point, as it was hoped the issues could be resolved. I think that was fair.
- By the following year, the problems had still not been sorted out. And there were wider issues affecting not just Mr and Mrs S' home but the whole site. On this basis Society of Lloyd's concluded the risk was too high.
- As I've said, it is generally for an insurer to decide whether to offer cover. And the policy terms specifically allow Society of Lloyd's to decline renewal, as long as it gives 21 days' notice. I'm satisfied Society of Lloyd's applied its underwriting criteria when making its decision. And Mr and Mrs S haven't been treated differently from any other resident on the same site.
- Society of Lloyd's only gave 20 days' notice. So it was one day fewer than it should have been. But it has acknowledged this and paid compensation for the distress caused. I think that's fair in the circumstances.
- Mr and Mrs S have explained all the difficulties they have faced over the last few years. I appreciate the whole situation has been very difficult for them. But I can't consider any of the other problems they have faced; I'm only considering the decision not to renew the policy. And for the reasons given, I'm satisfied that decision was fair.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 15 February 2024.

Peter Whiteley
Ombudsman

