

The complaint

Mr and Mrs G are unhappy Royal & Sun Alliance Insurance Limited (RSA) didn't offer renewal of their home insurance policy.

What happened

Mr and Mrs G held a home insurance policy, branded under a high street bank name, underwritten by RSA.

On 14 July 2023 RSA wrote to Mr and Mrs G to advise they wouldn't be offering renewal of the policy and it would lapse on 31 July 2023. RSA said this is because of Mr and Mrs G's actions in a previous claim when the policy was underwritten by a different insurer.

Mr and Mrs G are unhappy RSA aren't offering renewal, so they approached this service.

One of our investigators looked into things but he didn't uphold the complaint. He said RSA's decision not to offer renewal wasn't unfair.

Mr and Mrs G didn't agree and asked for a final decision from an ombudsman.

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, whilst I appreciate it will come as a disappointment to Mr and Mrs G, I'm not upholding their complaint.

Mr and Mrs G have held a home insurance policy, branded under a high street bank name, for several years. Whilst it is branded under a high street bank name, it is actually underwritten by an insurer.

Each year is a new annual contract, whilst the policy has remained under the high street bank brand name throughout, there was a change of insurer and since 2022 the policy has been underwritten by RSA.

The last policy ran from 1 August 2022 to 31 July 2023. RSA took the decision not to renew the policy from the renewal date, and they wrote to Mr and Mrs G to explain that in advance, on 14 July 2023. I think that RSA gave reasonable notice to Mr and Mrs G of their intention not to renew the policy.

An insurer isn't obligated to provide insurance cover and is able to decide whether to offer an insurance policy each year or not. RSA took the decision not to renew the policy when it ended on 31 July 2023. This is RSA using its legitimate commercial judgement whether to offer a policy or not and is not something I'm going to interfere with.

Mr and Mrs G have been told by RSA this decision was taken on the basis of information they were given by the previous insurer about Mr and Mrs G's actions during a claim. This relates to that insurer not being able to make a recovery of the claim settlement from Mr and Mrs G despite the lost item claimed for being found. Mr and Mrs G have questioned the actions of the previous insurer and their handling of things. However, this complaint is about RSA and their decision not to renew the policy, so I can't consider the actions of the previous insurer as part of this complaint. If Mr and Mrs G are unhappy with the previous insurer, they'd need to raise a complaint directly with them.

I'm satisfied RSA used its legitimate commercial judgement to decide not to offer renewal of Mr and Mrs G's policy, and it wrote to them giving them notice in advance of the renewal date. I'm satisfied RSA acted fairly, and I'm not going to direct them to do anything further.

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 G and Mrs G to accept or reject my decision before 26 December 2023.

Callum Milne
Ombudsman