

The complaint

Miss D's complaint is about the cancellation of her Red Sands Insurance Company (Europe) Limited pet insurance policy.

Miss D feels that Red Sands treated her unfairly.

What happened

Miss D had two pet insurance policies in place for two different pets. She rehomed one of those pets (Z) with her daughter and kept the other (D). Miss D continued to pay the premiums for both policies herself.

When Z passed away, Miss D tried to cancel the policy. She said she contacted Red Sands about this several times, but those requests were ignored because she was no longer the policyholder- her daughter was. As a result, Miss D cancelled her direct debit to Red Sands, but in doing so she cancelled the wrong one- instead of cancelling the direct debit for Z, she cancelled the one for D.

Red Sands wrote to Miss D in February 2023 telling her there had been a problem with the direct debit for D and asking her to contact them within 10 days otherwise D's cover would be cancelled. They wrote again in March 2023. Miss D says she didn't receive two emails from Red Sands- but she find one when checking her junk mail folder after the cover was cancelled.

Some months later and after the policy was cancelled, Miss D wanted to claim on D's policy but found that had been the one that had been cancelled instead of Z's. She wants Red Sands to accept her claim for D and treat the policy as if it had not been cancelled, by swapping it with Z's, which she had still been paying for.

Our investigator considered Miss D's complaint and concluded it shouldn't be upheld. Miss D doesn't agree so the matter has been passed to me to decide.

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 don't uphold Miss D's complaint. I'll explain why.

The starting point is the policy terms. They say:

"When we might cancel your policy

We may cancel your policy if you don't keep up with your payments, but we'll always write to you first. If we don't hear from you, we'll cancel the policy one month from the date we last received a payment. We may be able to reinstate the policy if you pay within 28 days."

Miss D has said she suffers from a health condition which meant she made a mistake in cancelling the direct debit for D when she meant to cancel the direct debit for Z. She's also

unhappy that Red Sands didn't at any point reply to her requests to cancel the policy or tell her they wouldn't speak to her because the policy for Z was now in her daughter's name.

I'm sympathetic to Miss D's circumstances and I can understand her frustration in not receiving a reply from Red Sands when she asked them to cancel the policy. But she wasn't the policyholder, so I appreciate why Red Sands didn't respond to her. Equally, I don't think they had to inform the policyholder that someone else was trying to cancel her policy. And whilst I can understand why she felt it was a quick solution to cancel her direct debit, I can't say that the mistake she made was the reason the policy was cancelled.

As I've set out above, Red Sands won't cancel a policy as soon as a payment is cancelled. Rather they'll write to the policyholder first. In this case Red Sands did actually write to Miss D. Whether that was once or twice doesn't matter- Miss D acknowledges that one of those emails was received by her, albeit in her junk email box. So, although she might not have checked this until sometime later, I can't say that Red Sands did something wrong. That's because they got in touch with her on the email address she'd provided and gave her notice of the policy they'd be cancelling. Their email referred to D specifically so had Miss D reviewed the email, she would have known she'd made a mistake when cancelling the direct debit that she thought was for Z. Overall, I think Red Sands followed the process set out within their policy terms. And given Miss D got in touch with them to reinstate the policy some considerable time after the 28 days set out within the terms expired, I don't think Red Sands did need to reinstate cover.

I understand that Miss D has been paying Z's insurance premiums long after she passed away. I don't know if Miss D has received a refund for these beyond Z passing away. If not then her daughter, the policyholder will need to raise this with Red Sands directly. From what I can see, Red Sands had no insurable interest once Z passed away so I imagine they will refund Miss D for the payments she's made.

My final decision

For the reasons set out above, I don't uphold Miss D's complaint against Red Sands Insurance Company (Europe) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 20 November 2023.

Lale Hussein-Venn
Ombudsman