

The complaint

Ms A has complained that, due to errors made by Saga Services Limited (Saga), she was left without home insurance cover.

What happened

Ms A's daughter's partner phoned Saga to set-up a policy for Ms A as she was due to move into a property and needed insurance cover in place that day. Saga arranged the policy and took payment. A few hours later, Ms A's son spoke to Saga as the email hadn't been received to show the policy had been set-up. Saga found that there was an incorrect character in the email address the policy details had been sent to.

Ms A's son phoned Saga again a short time later and during that conversation explained that his mother was moving in under licence as the property was going through probate. Ms A's son checked if this was the right type of policy and was told it was. Shortly after this, Saga phoned Ms A's daughter and said it was unable to offer cover, as the property was under probate. It cancelled the policy and refunded the premium.

Ms A's son complained. He said that because of the mistakes made by Saga it had cost Ms A a lot of money, as she had to stay in a care home for longer and pay the costs for doing so, as well as being caused inconvenience. Saga offered Ms A £115 compensation. Ms A's son later explained the complaint in more detail. So, Saga sent a further response. It said it didn't agree it should have asked questions about probate when the policy was first set up or that it was responsible for Ms A staying in a care home for a month longer. Saga offered a further £150 as a gesture of goodwill because a call handler incorrectly noted the email address and because the complaint was marked as closed while it was still ongoing.

So, Ms A's son complained to this service. Our investigator didn't uphold the complaint. He said Saga shouldn't have cancelled the policy as Ms A's son-in-law had answered the questions accurately, so no misrepresentation had taken place and Saga couldn't take action. However, as Ms A now had alternative cover, Saga didn't need to reinstate the policy. Ms A and her family also didn't do anything to mitigate the impact of the cancellation. Alternative cover could have been arranged the same day or shortly after. He said the compensation already offered was fair to reflect the impact on Ms A of the policy cancellation, the impact on moving in and the poor service provided.

As Ms A didn't agree, the complaint was referred to me.

I issued my provisional decision on 1 November 2023. In my provisional decision, I explained the reasons why I wasn't planning to require Saga to do anything further in relation to this complaint. I said:

Ms A's daughter's partner spoke to Saga initially. Saga asked whether he had power of attorney. He confirmed his partner did. He said Ms A was purchasing the property and because "power of attorney" hadn't come through she was going into the property under licence. It is my understanding that power of attorney and probate are separate matters. I didn't hear the partner refer to probate during the call. I also wouldn't expect an insurer to

ask questions around probate unless it thought it had reason to do so. Saga asked its standard questions when it arranged a new policy and then set it up. I think that was reasonable.

However, during the call, the partner provided his and Ms A's daughter's email address to send the policy details to. The call handler mistyped a character in Ms A's daughter's email address. It is my understanding that the partner might have received the policy email. But Ms A's daughter didn't receive it until a follow-up call was made a few hours later to find out why the email hadn't arrived. The email address was then corrected and the email was sent again.

Ms A's son then spoke to Saga about getting access to the policy documents. He told Saga the property was subject to probate but that his mother was moving in under licence. He queried whether this was the right type of policy and Saga confirmed it was. However, after the call ended, the call handler spoke to a manager and found that Saga didn't offer cover where a property was still under probate. The call handler then phoned Ms A's daughter to explain this. By now it was about 1.30pm the same day the policy was initially taken out. Ms A's daughter questioned whether it was right that cover couldn't be provided. The call handler checked again with a manager and confirmed that cover couldn't be provided. She told Ms A's daughter that although Saga couldn't offer cover, other companies might be able to do so. While Ms A's daughter remained on the call, Saga cancelled the policy and refunded the premium paid.

To be clear, from what I heard in the call, Saga didn't cancel the policy under the Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA) and the considerations under that don't apply here. Ms A's son explained the property was under probate. Following this Saga established it couldn't offer cover. It then promptly told Ms A's daughter cover couldn't be provided and cancelled the policy under the 14-day cooling off period, which would normally be when a policyholder cancelled the policy. The policy wasn't valid, so it needed to be cancelled or else Saga would have been allowing a policy to continue, and taking payment for it, when it knew it couldn't offer cover. Saga told Ms A's daughter the position and, in my view, took a pragmatic approach to cancelling the policy and refunding the money paid. I consider that Saga acted reasonably by cancelling the policy in the way that it did when it realised it couldn't provide cover.

Ms A's son has said Saga's action meant Ms A had to stay in a care home for a month longer and cost her about £3,000. Things like removals also had to be cancelled at short notice. He said that because the policy details had been sent to the wrong email address, a morning had been lost when everything had to be completed and signed off that day. He said his solicitors were on lunch 1-2pm and were on phone calls with other clients after that and he wanted to speak to them to decide what to do about the unexpected cancellation. He also questioned why he or his family would call around other insurance providers when they were tired and exhausted. He also explained the care home fees had to be paid on the first day of each month.

So, I've thought about this. I can understand Ms A's family might have wanted to speak to the solicitor to discuss the position. I can also see this was a tiring and difficult time for Ms A and her family. The conversations with Saga took place about a week before the next care home fees were due. I understand Ms A obtained a policy from another insurer about a week later. I haven't seen anything that currently persuades me Saga's actions prevented Ms A's family from trying to find insurance elsewhere the same day or soon after, despite the time that had passed that morning before Saga cancelled the policy. I think the compensation Saga offered fairly reflected the issues with the email address and the customer service issues Saga later noted, such as the complaint being closed due to confusion within Saga. As a result, I don't currently intend to require Saga to do anything further.

I asked both parties to send me any more information or evidence they wanted me to look at by 29 November 2023. Both parties responded before that date.

Saga confirmed it had nothing further to add.

Ms A's son replied and, in summary, said:

- There were large amounts of his previous communications that seemed to get omitted.
- The complaint wasn't just about his mum but about the inefficiency of Saga that day i.e. the email error and setting up the policy and then cancelling it five hours later. The family lost all their time to do anything else that day.
- He had to call the removals company to cancel at short notice, which affected their business and logistics for other customers it could have been working for instead.
- The compensation cheque was sent to the property address before Ms A had moved there or was the legal owner of the property. He also referred to another letter sent to that address.
- I had said Ms A was going to exchange on the property that day. This was incorrect. Only the licence agreement was going to be signed off.
- He described the solicitors' availability and their work schedule, as they were both back from holiday. He said his mum wanted to move out of the care home as soon as possible. He described how unwell his mum was and that she nearly died in the care home and a range of medical-related issue, which was why the family wanted her to move out of the care home.
- The care home fees were due to rise.
- He was shocked there was no mention of his mum's health in my provisional decision, which he was sure he had previously mentioned.
- It was by complete luck that probate came through a few weeks later and his mum was able to move into the property. Her health then improved.
- How unusual it was for there to be an opportunity to move in under licence. He explained how this had come about.
- Due to the solicitors' availability, the family had to do three things in one day. First was to transfer the licence fee payment. Ms A's son described the journey he took to do this and that he had to take a day off work to do so. Second was to get the licence agreement signed and third was to get insurance cover.
- It was highly disrespectful to say Ms A's family, after so many hours of drama and errors by Saga that day, were just going to call other providers. The family were all shattered and frustrated and felt ill themselves for two days after. He explained where he lived, where his sister and mum lived and the location of the solicitor.
- Saga made a mistake with the email, which it had said would be received within 30 minutes and then at lunchtime. The solicitors had lunchtime meetings and phone calls with other clients.
- He had asked Saga why it hadn't asked if the property was under probate as one of their routine questions, especially as they have a bereavement department. He thought this was a loophole/ gap in the insurance sector and that he was giving valuable feedback. Saga's response was defensive and didn't agree or take his advice on board. He said Saga might have thought that if it agreed, it might open it up to a claim.
- He didn't think I understood how the family's time was lost due to Saga's inefficiencies and the mental blow it had been for them. He described the mental impact on him personally. He also explained having to wait somewhere all day and that his sister and her partner also wasted the whole day, as well as the solicitors' time as they drafted the licence agreement. Legal fees had to be paid for this. The removal company also lost a job.

- Saga also mistakenly marked the complaint closed while it was still ongoing. He queried why this was.
- The annual premium was paid and they then had to wait for a refund.
- He questioned why Saga has phoned his sister first and not him, as he was the last caller and had mentioned probate, which seemed to change everything.
- Why was he told everything was ok with the policy and then his sister was phoned to say it had been cancelled
- Due to the lost time that day, the licence agreement couldn't be signed off. The removal slot was lost. Ms A's items were in storage. Ms A had to stay in a care home longer and pay fees for this. Ms A was lucky to get probate later that month. She moved out of the care home and was able to get a pro-rata refund. Ms A's son explained the additional costs.
- The amount of compensation Saga offered was the lowest level it paid. Ms A's son had asked for a breakdown of the compensation figure, but Saga hadn't been able to provide this, so it just seemed to have made up the figure.
- There was also the time he had spent providing explanations to this service. He expected Saga had done nothing further.
- It had taken a lot of time for him and his sister to sort out their mum's house after their father had died, as well as dealing with solicitors and sorting out paperwork.
- Saga's compensation definitely wasn't enough and seemed a disrespectful amount considering the full impact on the family during a time when Ms A nearly died. He thought Saga could have offered at least another £700 in addition to what it had paid before.
- He said he fully expected to receive the wrong outcome. Depending on the final outcome, he would consider legal action against Saga and this service.
- It might be an idea for me to phone him before making my final decision to ensure there were no missed facts.

Ms A's son sent a further response which, in summary, said:

- There was a major error in my provisional decision that he considered significant. My provisional decision had said that I understood Ms A now had alternative cover. This was totally incorrect and untrue and he couldn't understand where this had come from.
- When Saga cancelled the policy, the family were too exhausted, frustrated, annoyed and feeling ill. It was getting too late in the day to start making phone calls. The family had already put in a lot of effort that day and Ms A was nearly dying from feeling unwell at the time. He said I was welcome to call the care home.
- The email error meant the morning had gone. The policy was cancelled at lunchtime and the solicitors had meetings and phone calls with other clients after lunch. It wasn't just about looking at Saga's timings but also those of others involved. This included when it was practical for Ms A's family to contact the solicitor that afternoon, who would then need to speak to the vendor's solicitor to discuss next steps and get back to Ms A's family.
- It was only when probate was granted that the house purchase proceeded later that month and it was possible to get insurance with another provider.
- They would never use Saga again.
- For Saga not to agree with him that it should ask future customers if a property was in probate was just unbelievable and ridiculous.
- Saga used up all the family's time that day. On that day he had planned to get three things done, which they had all agreed were manageable. The solicitor had been clear on what needed to be done.
- They should be compensated at least £700, up to a maximum of another £2,500. I needed to look at the actual figures and also the inconvenience and distress caused and

the time wasted for the whole family, the vendor, both sets of solicitors and the removal company. It was important to look at the whole picture.

- Solicitors were very busy with other clients and they were both around that day to get everything done. Removals were booked in for a precise day. He hoped I would look at all the common sense, practicalities, logistics, notice needed and the efforts of moving his mum out of a care home. It was a big job with a lot of planning and effort.
- Saga even sent the cheque to the property address before Ms A moved there. Fortunately, she was able to move in. When he drove his mum to the property, the cheque was there. Saga later admitted to this error.

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.

As part of that, I've carefully considered the details of this complaint again, including all the points raised by Ms A's son. I can confirm that before I made my provisional decision I looked at and thought about everything Ms A's son had said, even if I didn't comment on it. I focussed on what I considered to be the key issues in order to make a fair and reasonable decision. That remains my approach.

I was aware of Ms A's health issues and the impact on her. I didn't intend any disrespect by not commenting on this in my provisional decision. I didn't think it was appropriate to discuss someone's health in any detail, as I was aware that my decision would be published. This is also why I haven't included all of the details in my summary of what Ms A's son said in response to my provisional decision. However, I was genuinely sorry to learn of Ms A's circumstances and the significant concerns around her health.

I've also looked again at my decision. I was aware that a licence agreement was being put in place. When Ms A's daughter's partner spoke to Saga, he said Ms A was exchanging that day. When Saga spoke to Ms A's daughter later that day to cancel the policy, she also said Ms A was exchanging that day. I'm grateful to Ms A's son for correcting what I said in my decision to ensure it is as accurate as possible. However, this doesn't affect my decision.

Ms A's son was also concerned that I had made a significant error by referring to alternative cover. Looking at my provisional decision, the wording appears to be in the part where I summarised what our investigator had said. I wasn't saying alternative cover was in place the same day as the phone call with Saga and I can confirm that wasn't what I thought when I made my provisional decision.

I also note Ms A's son commented that Saga said the email would be sent within 30 minutes of the phone call to set up the policy. I listened again to the initial phone call, Saga told Ms A's daughter's partner the email would be sent within an hour and a half to two hours, although often quicker. The call handler checked the system and confirmed it was being prepared.

Ms A's son was also concerned that when the policy was cancelled, Saga phoned Ms A's daughter rather than him. I listened to a voicemail message in which Saga asked Ms A's son to call back urgently about the policy. Saga said it would also try calling other numbers. It's my understanding this was to tell him the policy had been cancelled. Saga then called Ms A's daughter about the policy cancellation. However, even if my understanding is incorrect about the purpose and timing of the voicemail, I still think it was reasonable for Saga to have called Ms A's daughter. She was someone Saga was authorised to speak to under the policy and it was her card that had been used to pay for the policy and would therefore be refunded.

I was also aware of the impact Ms A's son had described on Ms A's family, the solicitors and the removals firm. I didn't comment on this in any detail in my provisional decision because I was aware that our investigator had clarified with Ms A's son that this service is unable to award compensation to people who aren't policyholders. Ms A's son confirmed he knew compensation wasn't for other members of the family and they were complaining for their mum as she wasn't able to do so. In response to my provisional decision, Ms A's son has, again, described in detail the impact on family members, the solicitors and others. For avoidance of doubt, I'm aware of all the points raised and the wider context of what happened. I can't award compensation to family members who aren't named on the policy, solicitors or other people or companies involved in a house move. However, this doesn't mean that I've ignored the points raised.

As I previously said, Saga wasn't required to ask a question about probate. I'm aware Ms A's son wants Saga to ask other customers a question about this in future. However, my role is to look at individual complaints. I can't require Saga to change what it asks other customers.

I was aware that Saga had closed the complaint while it was ongoing and that it sent the cheque to the property. Complaint handling isn't a regulated activity. However, I did take this into account as part of thinking about Ms A and her family's dissatisfaction with Saga and as context.

From what I've seen, Saga set up a policy based on the information provided. It accepted it made an error with the email address. When Ms A's son spoke to Saga later that day and explained the property was in probate, Saga initially said the policy was suitable. However, after the call ended, the call handler checked whether this was correct and promptly took action to make Ms A's family aware the policy wasn't suitable. It cancelled the policy and refunded the money. In my view, Saga took reasonable action. This remains my view looking at it in the context of everything Ms A's son described.

I'm also aware of the significant level of compensation Ms A's son has said should be paid. I've thought again about what happened, I've checked records, relistened to phone calls and thought about my overall findings. I remain of the view that the compensation Saga offered fairly reflected the issues with the email address and the customer service issues. This doesn't mean I'm ignoring the circumstances described. However, I remain of the view that what Saga offered as compensation was fair in the circumstances. As a result, I don't require Saga to do anything further.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that Saga Services Limited doesn't need to do anything further in relation to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 28 December 2023.

Louise O'Sullivan
Ombudsman