

The complaint

Mr and Mrs B complain that Halifax General Insurance Services Limited (Halifax) mis-sold their home insurance policy and, after they made a claim, refused to renew cover.

Mr and Mrs B jointly held buildings and contents insurance which they bought through Halifax. For ease of reading, I'll refer mainly to Mr B throughout my decision.

What happened

Mr B made a claim under his policy following a leak which damaged his kitchen. The full kitchen was replaced, and the underwriter settled the claim for undamaged items at 50% of the replacement cost. Mr B raised a complaint about the settlement with the underwriter which has been dealt with separately. The outcome was that the underwriter had applied the policy terms correctly and cover was limited to 50% of the cost for undamaged items.

Mr B believed he had full cover for undamaged matching items, so he complained to Halifax which had sold the policy to him in 2016. Halifax said he'd never had matching items cover, which Mr B disputed. Halifax went on to say that the cover was reduced to 50% at renewal in February 2022. However, Mr B said he hadn't been made aware of the change to the policy.

Halifax said it issued the renewal letters to the correct address, so it wasn't responsible for Mr B not receiving them. But Mr B didn't think Halifax had sent the letters because it had previously said there'd never been matching items cover.

At the end of the policy term, Halifax told Mr B it wouldn't be offering to renew cover because of the number of claims he'd made. Mr B said he was unhappy with being placed on a blacklist, so he brought the complaint to us.

Our investigator didn't uphold Mr B's complaint. She said the evidence showed that Halifax had generated the renewal letters which confirmed the policy changes. She also explained that although Halifax wouldn't offer cover, there was nothing to indicate that Halifax had placed Mr B on a blacklist. So, our investigator didn't think Halifax had done anything wrong.

Mr B didn't agree. He said the burden of proof of despatch and receipt of the renewal letters lay with Halifax. Further, he said Halifax's inconsistent comments about whether the matching items cover was ever available, followed by confirmation that it changed at the last renewal, suggest the letter was never sent. As a final point, Mr B said although he was relieved he hadn't been blacklisted, he maintained that Halifax said he had.

The complaint was 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've decided not to uphold Mr and Mrs B's complaint.

I understand this will come as a disappointment to them, especially as they felt sure their policy provided the matching items cover. But I haven't seen anything in the evidence which persuades me Halifax did anything wrong. I'll explain my reasons under separate headings.

Mis-sale

Because Mr B first bought the policy in 2016, there's limited evidence available regarding the sale. Mr B said one of the deciding factors was that the 'Gold' policy provided matching items cover. Halifax said the policy sale was non-advised and it never offered matching items, though I note it referred to a different level of cover.

However, I don't think the details of the sale or the original policy matter here. That's because Mr B *did* have matching items cover at a later renewal, and his complaint relates to a change after that rather than a change after the policy sale.

I'm satisfied there's nothing for Halifax to put right in respect of this point.

2021 Renewal

Halifax provided a copy of the renewal documents for 2021 which show that matching items was included as a policy improvement. The evidence is clear, so I'm satisfied that Mr B correctly stated that he had matching items cover.

Mr B said Halifax's comments can't be relied upon because of its incorrect statements about the cover he had under his policy. I've thought carefully about what he said but I haven't seen anything which causes me to share his concerns. I'm satisfied that, more likely than not, Halifax made a simple mistake which doesn't make a difference to Mr B's overall complaint outcome.

2022 Renewal

At this renewal, Halifax provided details of the policy changes, which included reducing matching items cover to 50% of the undamaged items. Looking at the renewal documents, I'm satisfied that the changes are presented in such a way that they are easy to identify. In summary, the letter says there are changes to the policy and asks Mr B to look at them to decide whether cover still meets his needs. Renewal was automatic unless Mr B cancelled.

So, on the face of it, I'm satisfied that Halifax confirmed the change in policy cover.

But Mr B said he didn't receive the renewal documents, so he wasn't aware of the change until he made his claim. The evidence shows that Halifax generated the renewal letter, addressed it correctly, and its notes record that the letter was issued. Based on the evidence, it's more likely than not that Halifax posted the letter to Mr B. It's unlikely Halifax would generate the letter but not send it.

That said, I have no reason to doubt Mr B's claim that he didn't receive it. However, I think Mr B had a responsibility to be aware of his home insurance. For example, the policy renewal date, the expectation to ensure the information is correct, and any change in premium would likely warrant attention.

There's no requirement for Halifax to prove it sent the letter. Based on the balance of evidence available, I'm satisfied it issued the renewal letter and Halifax isn't responsible for Mr B not receiving it.

Policy renewal

Mr B is unhappy that Halifax wouldn't renew his policy and he believed it had blacklisted him. Halifax explained it didn't offer cover because of the number and value of claims Mr B had made in the previous six years and that he'd need to notify any future insurers.

Halifax isn't required to offer Mr B insurance. It can only offer a policy based on the underwriting criteria, and Mr B's circumstances were considered too high a risk. I can't say Halifax did anything wrong by not offering cover, and Mr B would've been free to seek a policy elsewhere.

Although Mr B said Halifax told him he was blacklisted, and he felt sure there was a call recording or written confirmation, I haven't seen any evidence of that. Looking at Mr B's own record of events shows that he emailed to ask for a manual assessment of his risk after receiving Halifax's letter telling him it had decided not to offer cover. He then called to say he hadn't heard anything, and later received a letter from Halifax confirming its decision. But Mr B didn't record anything in his own notes about being blacklisted.

It would be reasonable for Halifax to explain to Mr B that he'd need to tell any insurer that he'd had cover refused. And it would also be reasonable for Halifax to tell him that the information was recorded on a database which other insurers would see. So I can see why Mr B might think he'd been blacklisted. But the evidence suggests Halifax simply told Mr B about these circumstances for clarity.

I don't find that Halifax did anything wrong by providing Mr B with appropriate information.

In summary, there's been some confusion when looking at Mr B's policies over the years which led to Halifax providing inconsistent information when he complained. But I haven't seen any evidence which persuades me that it caused Mr B any detriment in respect of his claim. Nor have I seen any evidence to persuade me that Halifax did anything wrong by not offering cover.

Therefore, I see no reason to require anything of Halifax in respect of Mr B's complaint.

My final decision

For the reasons I've given, my final decision is that I don't uphold Mr and Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr B to accept or reject my decision before 24 November 2023.

Debra Vaughan

Ombudsman